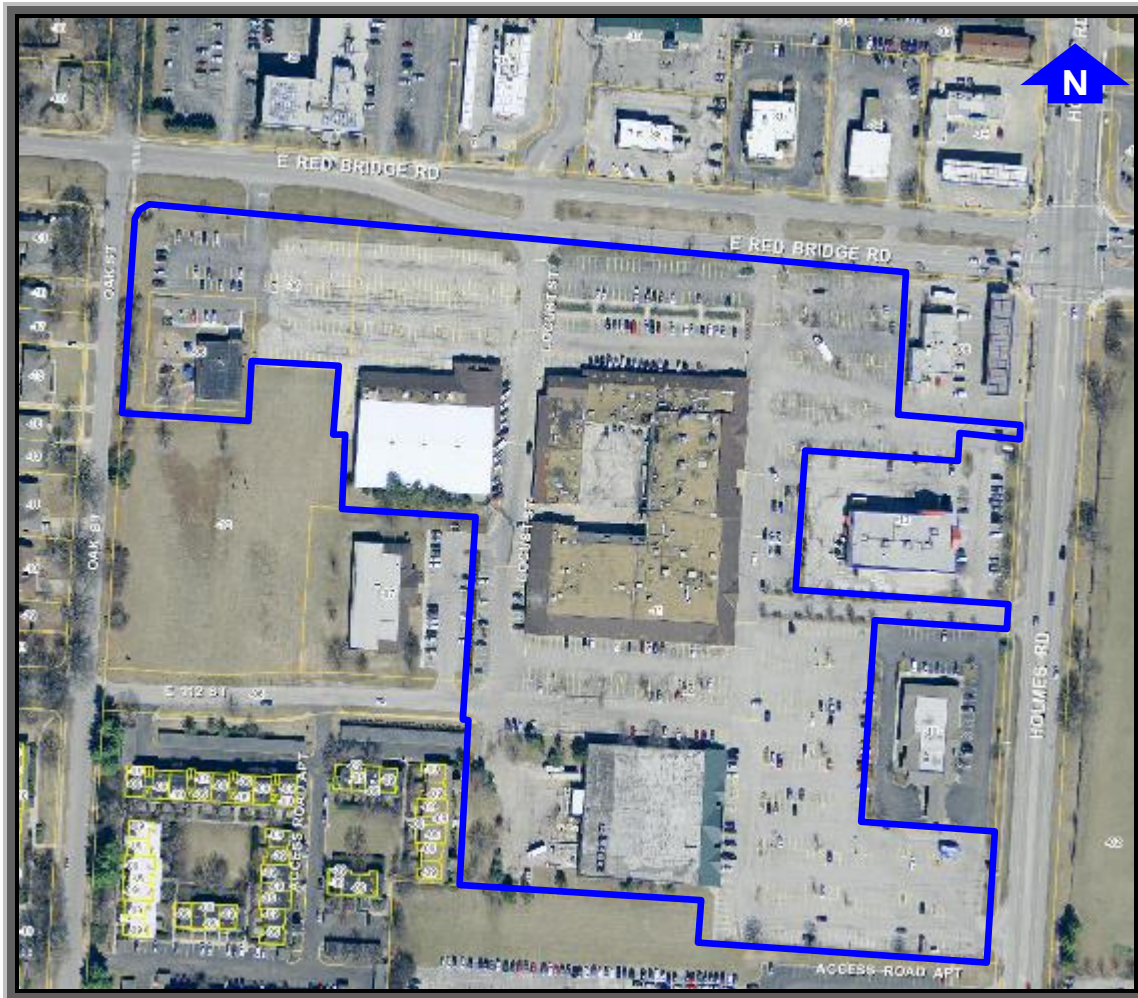

BLIGHT ANALYSIS



RED BRIDGE SHOPPING CENTER RED BRIDGE ROAD & HOLMES ROAD KANSAS CITY, MISSOURI

PREPARED FOR:
PIEA OF KANSAS CITY, MISSOURI

EFFECTIVE DATE:
JUNE 15, 2015
RECORD No. 1575

BELKE APPRAISAL & CONSULTING SERVICES, INC.
Kansas City, Missouri

BELKE APPRAISAL & CONSULTING SERVICES, INC.

REAL ESTATE ANALYSIS & VALUATION
SCOTT J. BELKE, MAI
PRESIDENT

June 15, 2015

Planned Industrial Expansion Authority of Kansas City, Missouri
Mr. David Macoubrie
PIEA Executive Director
1100 Walnut, Suite 1700
Kansas City, Missouri 64106

RE: Blight Analyses
Proposed Red Bridge Shopping Center Redevelopment Area
SWQ of Red Bridge Road & Holmes Road
Kansas City, Missouri 64131

Dear David,

Per our agreement dated June 3, 2015, I am pleased to herewith submit my blight analysis for the proposed Red Bridge Shopping Center Redevelopment Area to be located in the southwest quadrant of Red Bridge Road and Holmes Road in Kansas City, Missouri and composed of the following three Jackson County Tax Parcels as identified below:

County Tax Parcel No.	Address
65-240-02-06-02-4-00-000	401 E Red Bridge Rd.
65-240-02-06-02-5-00-000	None assigned
65-240-02-11-00-0-00-000	453 E Red Bridge Rd.

The proposed redevelopment area encompasses 148,911 gross square feet of building improvements and approximately 957 surface parking spaces situated on 16.66 acres of land zoned B4-5, Heavy Business/Commercial 4 District. A careful inspection of the property was made on several occasions during May and June 2015. The effective date of this study is June 15, 2015.

After the foregoing inspection and after a careful study of all pertinent factors, it is my considered opinion that the proposed redevelopment area as a whole qualifies as a "blighted area" according to the definition provided in the Missouri Revised Statutes (Section 100.310 (2)) concerning Industrial Development and that the major tax parcel within the proposed redevelopment area is blighted, reflecting 89% of the land area (643,597 of 725,555 square feet) and 97% of the improvement area (143,887 of 148,911 square feet). If the grocery store which is located on the major parcel but is not presently blighted is extracted, then the blighted improvement area is still a predominant 72%.

CELEBRATING 30 YEARS SERVING KANSAS CITY!

3100 NW 57TH STREET • KANSAS CITY, MISSOURI • 64151 • 816.741.6565 P • 816.741.1377 F

Mr. Macoubrie
June 15, 2015

The main feature of the proposed redevelopment area is the retail strip building that is now 56 years in age and contains 78,197 square feet of which 56,815 square feet or 72.7% is presently vacant. The northwest corner of the building has been vacant for over 13 years and the roof is so deteriorated the roofing company owner will no longer allow employees onto the area. This building evidences extensive blighting conditions and factors.

To the west of the retail strip building is a building that has been vacant for 3 years and is now 54 years old. The structure was built as a King Louie bowling alley but was converted to back office space about 13 years ago (on varied levels and with no windows). The roof is compromised and the interior is in poor to fair condition. This building evidences extensive blighting conditions and factors. Combined, the retail strip building and vacant building contain 107,937 square feet of space that is 80.2% vacant.

The Sun Fresh grocery store is south of the retail strip building, contains 35,950 square feet, and is now 36 years old. A LaPetite daycare facility containing 5,024 square feet is west of the vacant building and is now 30 years in age. Though advancing in age and dysfunction these two uses are not yet blighted, but are negatively impacted by the adjoining blight.

The main blighting factors are the deteriorating site improvements and insanitary and unsafe conditions which are also exacerbated by defective and inadequate street layout and improper subdivision or obsolete platting, and by conditions which endanger life and property by fire and other causes. Resulting blighting conditions include economic liabilities (underutilization, extensive vacancy (58.1% in a submarket operating at 11.4%), improper and unrealized assessment and taxation, and social liabilities (vandalism, vagrancy, graffiti, trash, illegal dumping, standing water, deteriorating drives and parking lots, deteriorating curbs and sidewalks, deteriorating exterior walls, deteriorating roofs and ceiling collapses, deteriorating docks, lack of comprehensive fire sprinklers, environmental issues (ACMs, LBP, mold, potential PCBs), exposed electrical wiring and obsolete wiring, dysfunctional building level transitions (lack of ADA compliance)).

The combination and predominance of these blighting factors and conditions clearly indicate the proposed redevelopment area is now a menace to the public health, safety, morals, and welfare and a drain on the vitality of the Red Bridge neighborhood. The aging and deteriorating shopping center also no longer reflects the highest and best use of this prominent commercial location at the intersection of Red Bridge Road and Holmes Road and is an economic underutilization.

The complete analysis employed to reach this determination are contained in the attached study.

Mr. Macoubrie
June 15, 2015

It has been a distinct pleasure to serve you in this assignment.

Sincerely,
BELKE APPRAISAL & CONSULTING SERVICES, INC.

A handwritten signature in blue ink, appearing to read "Scott J. Belke", with a long horizontal flourish extending to the right.

Scott J. Belke, MAI
President

Missouri State Certified General Real Estate Appraiser (Certificate No. RA 001868)
Kansas Certified General Real Property Appraiser (Certificate No. G-1214)

TABLE OF CONTENTS

Cover Sheet.....	1
Letter of Transmittal	2
Table of Contents	5
Property Data	
Aerial Photograph	8
Subject Photographs.....	10
Introduction.....	21
Purpose.....	21
Legal Descriptions	21
Statutory Definition.....	24
Chapter 100 Redevelopment Rights	25
Previous Blight Findings.....	26
Historic Designations	26
Ownership	26
Consultant’s Experience	26
The Red Bridge Neighborhood	27
Location	27
Access	29
Neighborhood Demographics	29
School District	31
Neighborhood Development.....	31
Adjoining Development.....	32
Red Bridge Plan Area	34
Conclusion	34
Neighborhood Photographs.....	35
Site & Improvement Data	41
Location	41
Access	42
Land Area.....	42
Utilities.....	42
Zoning	44
Topography	44
FEMA	46
Traffic Counts	46
Assessment & Taxation	46
Easements & Restrictions	49
Overlay Districts	49
Historic Designations.....	50
Real Estate Improvements	50
Site Improvements	51

Functionality	52
Environmental.....	52
Billboards	53
Conclusion	53
Retail Market Analysis	56
Blight Analysis	
Blight Analysis.....	74
Required Findings	74
Blight Defined.....	74
Court Decisions.....	75
Blight Factor #1: Defective Of Inadequate Street Layout.....	75
Blight Factor #2: Unsanitary Or Unsafe Conditions.....	82
Blight Factor #3: Deterioration Of Site Improvements.....	97
Blight Factor #4: Improper Subdivision Or Obsolete Platting.....	151
Blight Factor #5: Endangerment By Fire Or Other Causes.....	152
Blight Factors Conclusion.....	152
Blight Condition #1: Hindrance To Housing Accommodation	153
Blight Condition #2: Economic Or Social Liability	153
Blight Condition #3: Menace To The Public Health, Safety, Morals, Or Welfare.....	154
Study Conclusion	155
Certificate.....	157
Assumptions & Limiting Conditions	158
Addenda	
Last Deed	160
Qualifications of Scott J. Belke, MAI.....	164
Redevelopment Consulting Projects	165
Company Profile	167

**PROPERTY
DATA**

PROPOSED REDEVELOPMENT AREA



The following photographs illustrate the conditions existing within the proposed Red Bridge Shopping Center Redevelopment Area during numerous inspections in May and June 2015.



PHOTOGRAPH No. 1:

65-240-02-06-02-4-00-000

LAPETITE DAYCARE



PHOTOGRAPH No. 2:

65-240-02-06-02-5-00-000

**NORTH & EAST ELEVATIONS
OF THE VACANT BUILDING**

**(BOWLING ALLEY-TO-OFFICE
CONVERSION OF 29,948 SF
NOW VACANT FOR 3 YEARS)**



PHOTOGRAPH No. 3:

65-240-02-11-00-0-00-000

**EAST & SOUTH ELEVATIONS
MAIN STRIP BUILDING**

**(72.7% VACANCY AMONGST
78,197 SF OF SMALL SHOPS)**



PHOTOGRAPH No. 4:

65-240-02-11-00-0-00-000

**EAST ELEVATION OF THE
MAIN STRIP BUILDING**



PHOTOGRAPH No. 5:

65-240-02-11-00-0-00-000

**SOUTH ELEVATION OF THE
MAIN STRIP BUILDING**



PHOTOGRAPH No. 6:

65-240-02-11-00-0-00-000

**NORTH ELEVATION OF THE
MAIN STRIP BUILDING**

**(NWC VACANT 13+ YRS.,
NEC VACANT OBSOLETE
4-SCREEN THEATER)**



PHOTOGRAPH NO. 7:

65-240-02-11-00-0-00-000

**WEST (REAR FACING)
ELEVATION OF THE
MAIN STRIP BUILDING**



PHOTOGRAPH NO. 8:

65-240-02-11-00-0-00-000

**CENTRAL COURTYARD
MAIN STRIP BUILDING**

**(HEAVY DETERIORATION,
VAGRANCY AND SAFETY
ISSUES)**



PHOTOGRAPH NO. 9:

65-240-02-11-00-0-00-000

**SUN FRESH
GROCERY STORE**

**(36 YEARS OLD, SIZE
DYSFUNCTION FOR MODERN
GROCERY STORES)**



PHOTOGRAPH No. 10:

**DETERIORATION:
ENTRANCE DRIVES**



PHOTOGRAPH No. 11:

**DETERIORATION:
PARKING LOTS**



PHOTOGRAPH No. 12:

**DETERIORATION:
PARKING LOT LIGHTS**



PHOTOGRAPH No. 13:

**DETERIORATION:
CURBS & SIDEWALKS**



PHOTOGRAPH No. 14:

**DETERIORATION:
PARKING STOPS**



PHOTOGRAPH No. 15:

**DETERIORATION:
PARKING LOT PLANTERS**



PHOTOGRAPH No. 16:

**DETERIORATION:
LANDSCAPING PLANTERS**



PHOTOGRAPH No. 17:

**DETERIORATION:
CANOPY SUPPORTS**



PHOTOGRAPH No. 18:

**DETERIORATION:
CANOPY**



PHOTOGRAPH No. 19:

**DETERIORATION:
DOCK AREA**



PHOTOGRAPH No. 20:

**DETERIORATION:
LOADING DOORS**



PHOTOGRAPH No. 21:

**DETERIORATION:
EXTERIOR WALLS**



PHOTOGRAPH No. 22:

**DETERIORATION:
FAILING ROOFS AND
CEILING LEAKS & DAMAGE
(ROOFERS NO LONGER
ALLOWED IN THIS AREA)**



PHOTOGRAPH No. 23:

**DETERIORATION:
DAMAGED CARPETING**



PHOTOGRAPH No. 24:

**DETERIORATION:
WALL DAMAGE**



PHOTOGRAPH No. 25:

**DETERIORATION:
UNFINISHED SPACE**



PHOTOGRAPH No. 26:

**DYSFUNCTIONAL:
LONG-TERM VACANT SPACE**



PHOTOGRAPH No. 27:

**DYSFUNCTIONAL:
OBSOLETE THEATER SPACE**



PHOTOGRAPH No. 28:

**DYSFUNCTIONAL:
OBSOLETE BUILDING SYSTEMS**



PHOTOGRAPH No. 29:

**DYSFUNCTIONAL:
REAR FACING RETAIL SPACE
WITH PARALLEL PARKING
FRONTING THE BUILDING AND
FRONT-IN PARKING & LOCUST
STREET TRAFFIC**



PHOTOGRAPH No. 30:

**SAFETY:
ENVIRONMENTAL ISSUES
ACMS, LBP, MOLD**



PHOTOGRAPH NO. 31:

**SAFETY:
VANDALISM**



PHOTOGRAPH NO. 32:

**SAFETY:
VAGRANCY**



PHOTOGRAPH NO. 33:

**SAFETY:
TRASH**

INTRODUCTION

Purpose

The purpose of the present analysis is to determine if the proposed Red Bridge Shopping Center Redevelopment Area located within Kansas City, Missouri and Jackson County, Missouri evidences blight according to the Missouri Revised Statutes Chapter 100 Industrial Development. The consultant visited the proposed redevelopment area and the adjoining neighborhood on several occasions in May and June 2015. The effective date of this study is June 15, 2015.

The proposed redevelopment area is comprised of four improvements; a 22-space strip center built in 1959 (age=56 years) and containing 78,197 square feet of which 56,815 square feet or 72.7% is vacant, a stand-alone grocery store built in 1979 (age=36 years) and containing 35,950 square feet, a vacant and dysfunctional bowling alley-to-office conversion containing 29,740 square feet built in 1961 (age=54 years) now vacant for 3 years, and a daycare center built in 1985 (age=30 years) and containing 5,024 square feet. The total building area within the proposed redevelopment area is 148,911 square feet and the weight-average age is 50 years. A total of 957 parking spaces are spread throughout the improvements (6.4/1,000) amongst roundly 11.4 acres of parking lot with no detention provision. Three outpads front the proposed redevelopment area along Holmes Road (not included in this study) including a Phillips 66 convenience store, CVS drugstore, and US Bank branch banking facility.

The improvements within the proposed redevelopment area are now 30 to 56 years old and suffer from advancing physical depreciation, functional obsolescence, and external obsolescence. Numerous safety (exposed electrical wiring, compromised roofs with collapsing ceilings below, lack of comprehensive fire sprinklers, deteriorated drives, sidewalks, docks), health (mold, ACMs, LBP), and moral (vagrancy, vandalism, graffiti) concerns have arisen. The retail strip building has a dysfunctional design and is only 27.3% occupied (21,382 of 78,197 square feet) and contains a vacant four-screen theater now obsolete by current mega theater standards and a vacant space in the northwest corner now vacant for over 13 years where roofers are not allowed for fear of collapse. The grocery store is operated by Lipari's Sun Fresh and at 35,950 square feet is very small by modern grocery standards (48% to 140% below nine recent grocery store openings). The vacant dysfunctional bowling alley to office conversion building has been vacant for 3 years. The daycare is currently leased to an operator.

Legal Description

The legal descriptions (see following pages) for the three subject tax parcels were taken from the last deed recorded at the Jackson County Courthouse (Document 2002K0083728 recorded December 18, 2002 and included in the Addenda).

The Kansas City, Missouri GIS map following the legal descriptions provides delineation of the three platted subject lots. The proposed redevelopment is bounded by Red Bridge Road on the north and Holmes Road on the east. Locust Street and E 112th Street actually run through the proposed redevelopment area.

65-240-02-11-00-0-00-000:

All of TRACT 1, REPLAT OF PART OF LOT 1, BLOCK 1, RED BRIDGE BUSINESS CENTER, a subdivision in Kansas City, Jackson County, Missouri, according to the recorded plat thereof, recorded February 13, 2001, as Document No. 2001K-0007935, in Plat Book K-40 at Page 30, described as follows:

Beginning at the Southeast corner of said Tract 1, being also a point on the West right-of-way line of Holmes Road, as now established; thence the following courses and distances along the South and West lines of said Tract 1; thence North 86 degrees 33 minutes 50 seconds West (N 86 degrees 33 minutes 40 seconds W, Plat), 410.19 feet (410.35 plat); thence North 3 degrees 25 minutes 29 seconds East (N 3 degrees 25 minutes 39 seconds E, Plat), 62.67 feet; thence North 86 degrees 31 minutes 14 seconds West (N 86 degrees 31 minutes 04 seconds W, Plat), 345.80 feet to a point on the East line of Lot 2, Block 1, COACH HOUSE, a subdivision in said City, County and State, according to the recorded plat thereof; thence North 3 degrees 20 minutes 40 seconds East (N 3 degrees 20 minutes 50 seconds E, Plat), along the East line of Lot 2, Block 1, of said COACH HOUSE, and along the West line of Lot 1, Block 1, of said RED BRIDGE BUSINESS CENTER, a distance of 236.00 feet to the Northeast corner of said Lot 2; thence North 86 degrees 39 minutes 20 seconds West (N 86 degrees 39 minutes 10 seconds W, Plat), along the North line of said Lot 2 and along the South line of said Lot 1, a distance of 9.29 feet; thence North 3 degrees 28 minutes 46 seconds East (N 3 degrees 28 minutes 56 seconds E, Plat), along the East line of a "Roadway Easement" as shown on the recorded plat of said RED BRIDGE BUSINESS CENTER, and along the East line of Lot 2 of said Block 1, a distance of 285.66 feet to the Northeast corner of said Lot 2; thence North 86 degrees 39 minutes 20 seconds West (N 86 degrees 39 minutes 10 seconds W, Plat) along the North line of said Lot 2 a distance of 192.12 feet; thence North 3 degrees 20 minutes 40 seconds East, 350 feet distance East of and parallel with the center line of Oak Street, as now established, a distance of 404.24 feet to a point on the South right of way line of Red Bridge Road, as now established, thence South 85 degrees 01 minutes 30 seconds East (S 84 degrees 59 minutes 14 seconds E, Plat), a distance of 783.20 feet; thence South 3 degrees 27 minutes 48 seconds West (S 3 degrees 27 minutes 58 seconds W, Replat), a distance of 200 feet; thence South 85 degrees 00 minutes 23 seconds East, a distance of 175.25 feet, to a point on the East line of said Lot 1, being also a point on the West right of way line of said Holmes Road; thence South 3 degrees 25 minutes 12 seconds West (S 3 degrees 26 minutes 20 seconds W, Plat), along said West right of way line and the East line of said Lot 1 a distance of 288.70 feet; thence North 86 degrees 33 minutes 50 seconds West and no longer along said East line and said West right-of-way line, a distance of 189.50 feet; thence South 3 degrees 25 minutes 12 seconds West (S 3 degrees 26 minutes 20 seconds W, Plat), parallel with the East line of said Lot 1, a distance of 290.00 feet; thence South 86 degrees 33 minutes 50 seconds East, 189.50 feet to a point on the East line of said Lot 1; thence South 3 degrees 25 minutes 12 seconds West (S 3 degrees 26 minutes 20 seconds W, Plat), along said East line and along said West right-of-way line, a distance of 184 feet to the point of beginning.

EXCEPT that part replatted as LOT 1, TRACT 3, RED BRIDGE BUSINESS CENTER, REPLAT OF PART OF TRACT 1, REPLAT OF PART OF LOT 1, BLOCK 1, a subdivision in Kansas City, Jackson County, Missouri, according to the recorded plat thereof, recorded October 19, 2001, as Document No. 2001K-0059969, in Plat Book K- 40 at Page 47.

65-240-02-06-02-4-00-000 and 65-240-02-06-02-5-00-000:

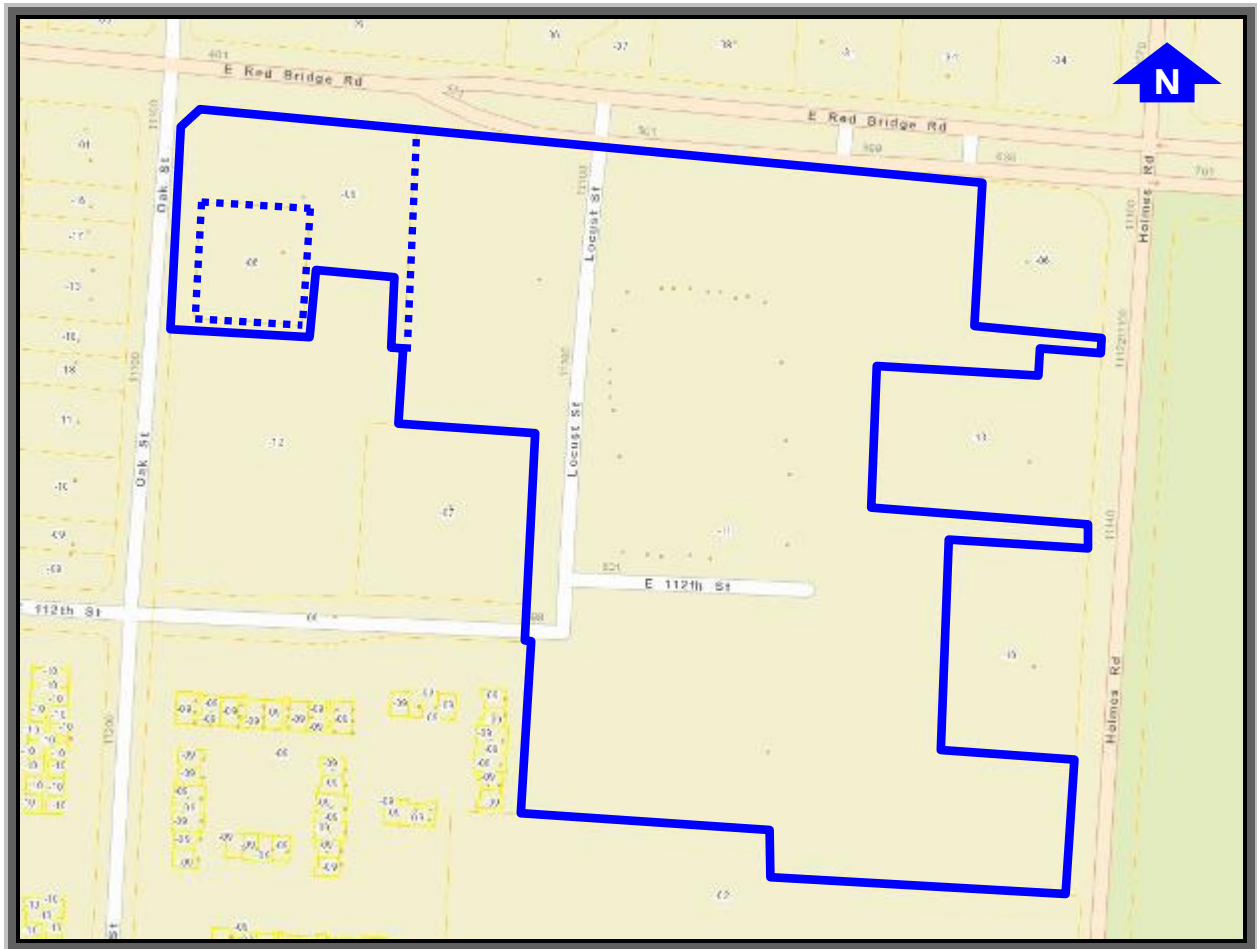
TOGETHER WITH all that part of the remaining portion of Lot 1, Block 1 of RED BRIDGE BUSINESS CENTER, a subdivision in Kansas City, Jackson County, Missouri, according to the recorded plat thereof, recorded October 15, 1985 as Document No. K- 684448, in Plat Book K-36 at 52, described as follows:

Beginning at the Northwest corner of TRACT 1, REPLAT OF PART OF LOT 1, BLOCK 1, RED BRIDGE BUSINESS CENTER, a subdivision in Kansas City, Jackson County, Missouri, according to the recorded plat thereof, recorded February 13, 2001, as Document No. 2001K-0007935, in Plat Book K-40 at Page 30, being also a point on the south right-of-way line of Red Bridge Boulevard, as now established; thence the following courses and distances: thence South 3 degrees 20 minutes 40 seconds West along a line 350 feet East of and parallel with the centerline of Oak Street, as now established, a distance of 300.91 feet; thence North 85 degrees 50 minutes 20 seconds West a distance of 18.38 feet; thence North 3 degrees 47 minutes 7 seconds East 96.97 feet; thence North 86 degrees 37 minutes 55 seconds West a distance of 122.36 feet; thence South 3 degrees 20 minutes 40 seconds West a distance of 86.04 feet; thence North 86 degrees 39 minutes 20 seconds West a distance of 180.00 feet to the east right-of-way line of said Oak Street; thence North 3 degrees 20 minutes 40 seconds East (N 3 degrees 20 minutes 50 seconds E, Plat), a distance of 278.20 feet; thence Northerly, Northeasterly and Easterly, along a curve to the right, tangent to the last described course and continuing along the right of way of said Oak Street, having a radius of 20 feet and a central angle of 91 degrees 37 minutes 50 seconds, an arc distance of 31.99 feet (32 feet, Plat), to a point on the south right-of-way line of Red Bridge Boulevard; thence South 85 degrees 01 minute 30 seconds East (S 84 degrees 59 minutes 14 Seconds East, Plat), along said South right-of-way line, a distance of 299.55 feet to the point of beginning.

ALSO,

All of the land within the boundary of the Roadway Easement (Access to Lot 2) as shown on the plat of RED BRIDGE BUSINESS CENTER under Document No. K684448, filed October 15, 1985, in Book K36, Page 52, except part in street and roads.

JACKSON COUNTY GIS PARCEL MAP



Statutory Definition

Chapter 100 of the Missouri Revised Statutes entitled *Industrial Development* allows for the creation of “The Planned Industrial Expansion Authority” within a city and empowers the authority to submit general redevelopment plans to the city. However, “an authority shall not prepare a plan for a project area unless the governing body of the city has declared, by resolution or ordinance, the area to be blighted, insanitary or undeveloped industrial area in need of industrial development” (RSMo ch. 100.400.1 (2)).

Chapter 100 provides the following definitions for a blighted area, insanitary area, or undeveloped industrial area:

“**Blighted area**”, an area which, by reason of the predominance of defective or inadequate street layout, insanitary or unsafe conditions, deterioration of site improvements, improper subdivision or obsolete platting, or the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors, retards the provision of housing accommodations or constitutes an economic or social liability or a menace to the public health, safety, morals or welfare in its present condition and use; (RSMo ch. 100.310 (2)).

“**Insanitary area**”, an area in which there is a predominance of buildings and improvements which, by reason of dilapidation, deterioration, age or obsolescence, inadequate provision for ventilation, light, air, sanitation or open spaces, high density of population and overcrowding of buildings, overcrowding of land, or the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors, is conducive to ill health, transmission of disease, infant mortality, juvenile delinquency and crime or constitutes an economic or social liability and is detrimental to the public health, safety, morals or welfare; (RSMo ch. 100.310 (11)).

“**Undeveloped industrial area**”, any area which, by reason of defective and inadequate street layout or location of physical improvements, obsolescence and inadequate subdivision and platting contains parcels of land not used economically; contains old, decaying, obsolete buildings, plants, stores, shops, shopping centers, office buildings, hotels and motels and parking garages, warehouses, distribution centers, structures; contains buildings, plants, stores, shops, shopping centers, office buildings, hotels and motels and parking garages, multi-family housing facilities, warehouses, distribution centers and structures whose operation is not economically feasible; contains intermittent commercial and industrial structures in a primarily industrial or commercial area; or contains insufficient space for the expansion and efficient use of land for industrial plants and commercial uses amounting to conditions which retard economic or social growth, are economic waste and social liabilities and represent an inability to pay reasonable taxes to the detriment and injury of the public health, safety, morals and welfare. (RSMo ch. 100.310 (18)).

Chapter 100 Redevelopment Rights

Blight Prevention

The authority is empowered to take actions deemed “necessary to prevent a recurrence of blighted, insanitary, undeveloped industrial areas or to effectuate the purposes of this law” (RSMo ch. 100.390 (4)).

Tax Abatement

RSMo ch. 100.570 provides for the ad valorem tax exemption benefits contained in RSMo ch. 353 (*The Urban Redevelopment Corporation Law*) to be made available to any redevelopment corporation on lands and improvements situated within the project area provided the governing body grants approval by a three-fourths vote. Upon compliance with Chapter 353 requirements, real property of urban redevelopment corporations shall not be subject to assessment or payment of general ad valorem taxes imposed by the city, state or any political subdivision, for a period not in excess of 10 years after the date upon which the corporation becomes owner of the real property. However, taxes may be collected on the assessed valuation of the land, exclusive of improvements, based upon the land assessment for the calendar year preceding the corporation’s ownership. Such land assessment may not be increased during the 10-year period.

After completion of the initial 10-year abatement, for an ensuing period not in excess of 15 years, ad valorem taxes shall be based upon an assessment not to exceed 50% of the true value of the real property including any improvements. After a period not totaling more than 25 years, the real property shall be subject to assessment and payment of all ad valorem taxes based upon the full true value of the real property.

Eminent Domain

RSMo ch. 100.420.1 provides authorities with the power of eminent domain:

An authority shall have the right to acquire by the exercise of eminent domain any real property which it may deem necessary for a project or for its purposes under this law after the adoption by it of a resolution declaring the acquisition of the real property described therein is necessary for such purposes.

Bond Issuance

RSMo ch. 100.430 provides authorities with the power to issue bonds:

(1) An authority shall have power to issue bonds from time to time in its discretion for any of its corporate purposes including the payment of principal and interest upon any advances for surveys and plans for projects. . . (2) An authority shall also have power to issue refunding bonds for the purpose of paying or retiring or in exchange for bonds previously issued by it.

Previous Blight Findings

The consultant is not aware of any previous blight findings for the proposed redevelopment area.

Historic Designations

No portion of the proposed redevelopment area has been nominated to the National Register of Historic Places (NRHP). No adjoining properties are listed on the NRHP. No portion of the proposed redevelopment area has been nominated to the Kansas City Historic Registry (KCHR). No adjoining properties are listed on the KCHR.

Ownership

According to deeds recorded at the Jackson County Courthouse, the three tax parcels comprising the proposed redevelopment area are currently held in a single entity:

Tax Parcel No.	Address	Ownership
65-240-02-06-02-4-00-000	401 E Red Bridge Rd.	Red Bridge Real Estate LLC
65-240-02-06-02-5-00-000	None assigned	Red Bridge Real Estate LLC
65-240-02-11-00-0-00-000	453 E Red Bridge Rd.	Red Bridge Real Estate LLC

A copy of the main deed (Document 2002K0083728, recorded December 18, 2002) is included in the **Addenda**.

Consultant's Experience

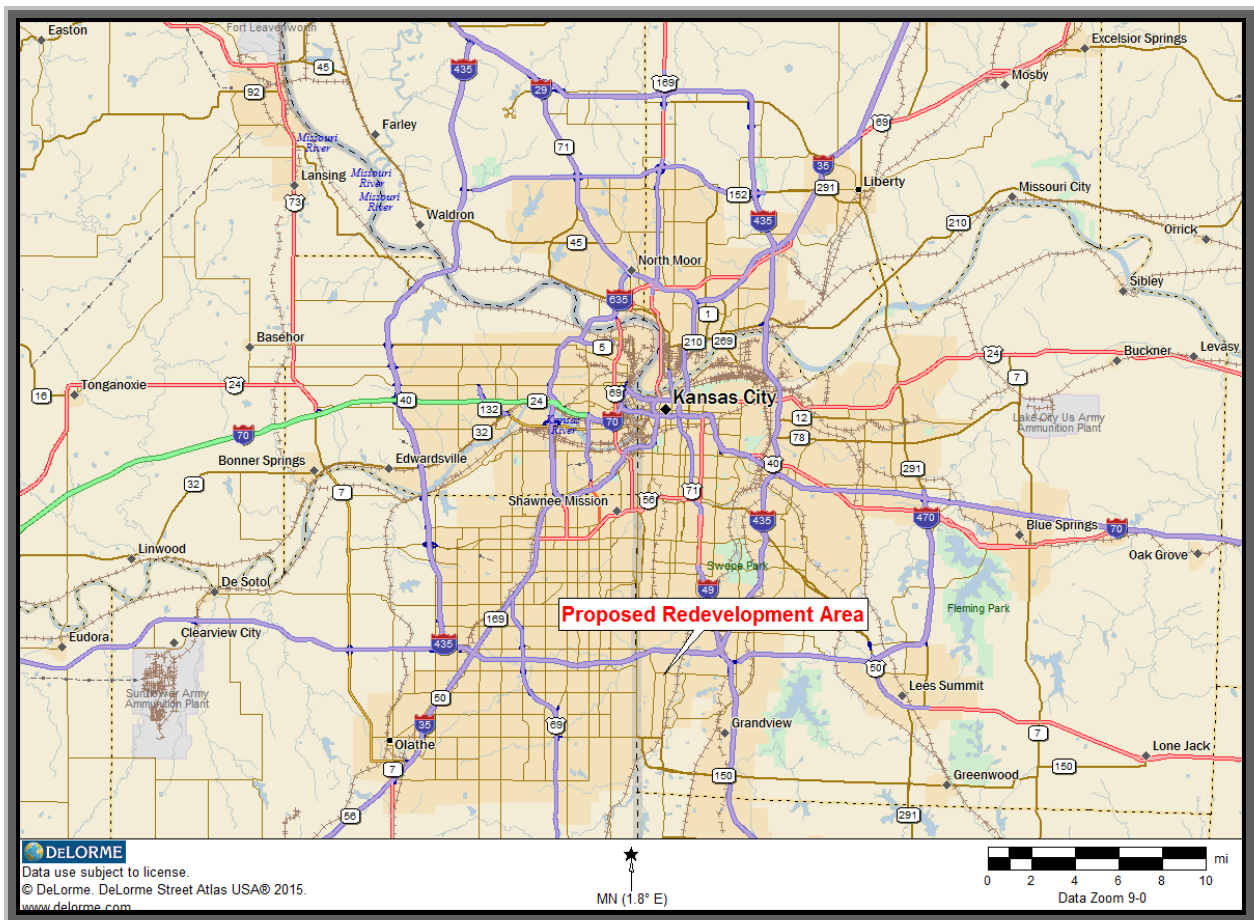
The consultant has considerable experience preparing blight analyses on properties located within a number of local municipalities and utilizing various Missouri State Statutes (R.S. Mo. Chapters 99, 100, and 353) and Kansas State Statutes (K.S.A. Chapter 12). A full listing of redevelopment projects for which consulting services have been provided is included with the consultant's qualifications at the end of the report. The consultant has been a 30-year resident of Kansas City, Missouri.

THE RED BRIDGE NEIGHBORHOOD

Location

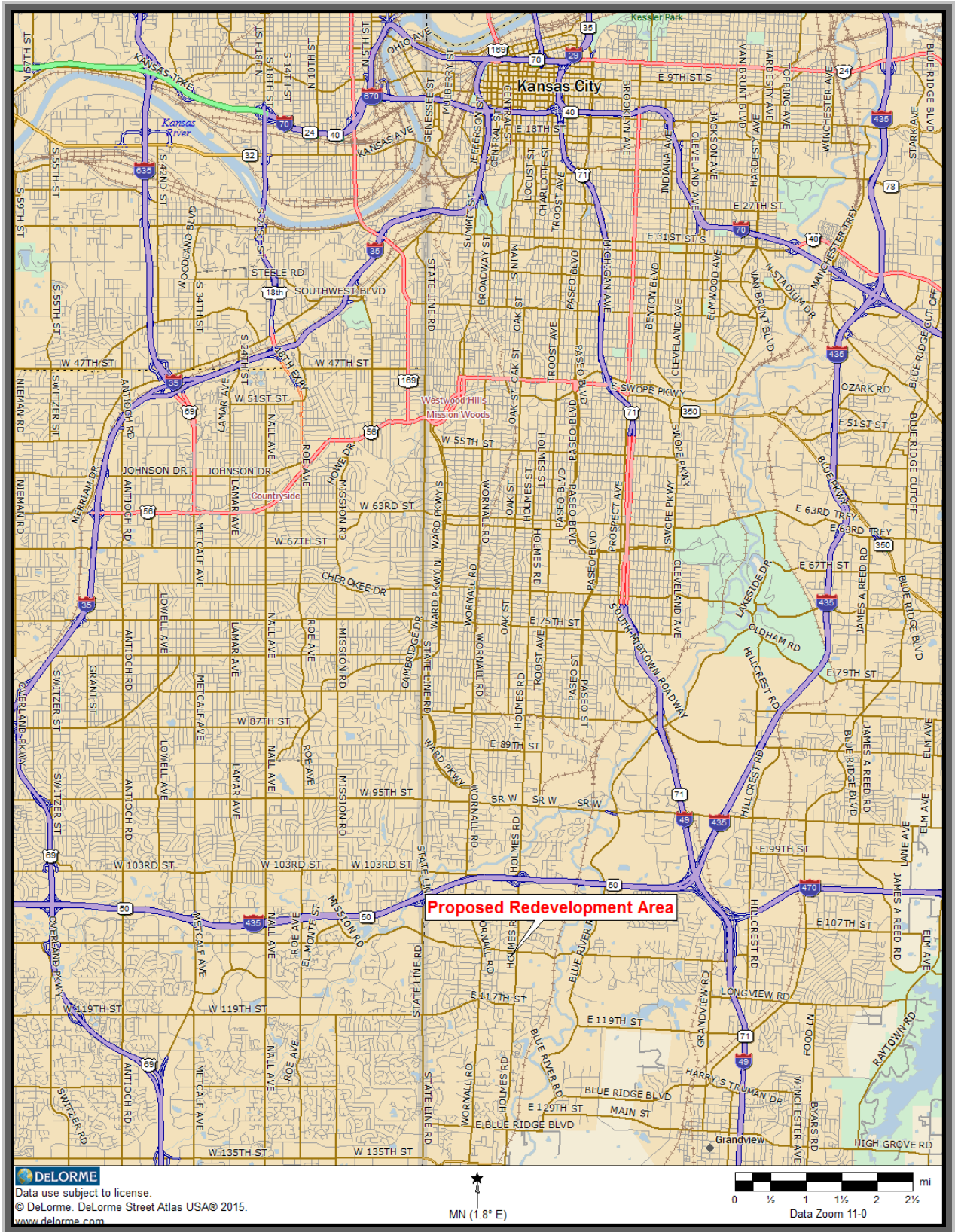
The Red Bridge neighborhood is located in the south-central portion of the greater Kansas City metropolitan area, the southwest portion of Jackson County, Missouri and the southwest portion of Kansas City, Missouri. The proposed redevelopment area is located one mile south of Interstate 435 at the southwest quadrant of the intersection of Red Bridge Road and Holmes Road. The state line is just over a mile to the west via Red Bridge Road. Grandview, Missouri is 1.6 miles to the southeast. Missouri Highway 150 is 4¼ miles south along Holmes Road. Red Bridge is located in zip code 64131 and Census Tract 101.06.

LOCATION MAP



Downtown Kansas City, Missouri is located 12 miles north of the subject Red Bridge neighborhood. US Highway 71 provides the most direct route to downtown but Interstates 435 and 70 are also available. KCI Airport is located 27 miles northwest of Red Bridge in Platte County, Missouri. Johnson County, Kansas, which provides considerable retailing opportunities, is located on the west side of the state line. Raytown and Independence are short drive time to the northeast via Interstate 435 and Interstate 70. The subject is conveniently located to various parks and golf course, Longview Lake, and the Kansas City Zoo. The Blue River runs along the east side of the neighborhood. Union Pacific rail lines run in the river bottom.

NEIGHBORHOOD LINKAGE



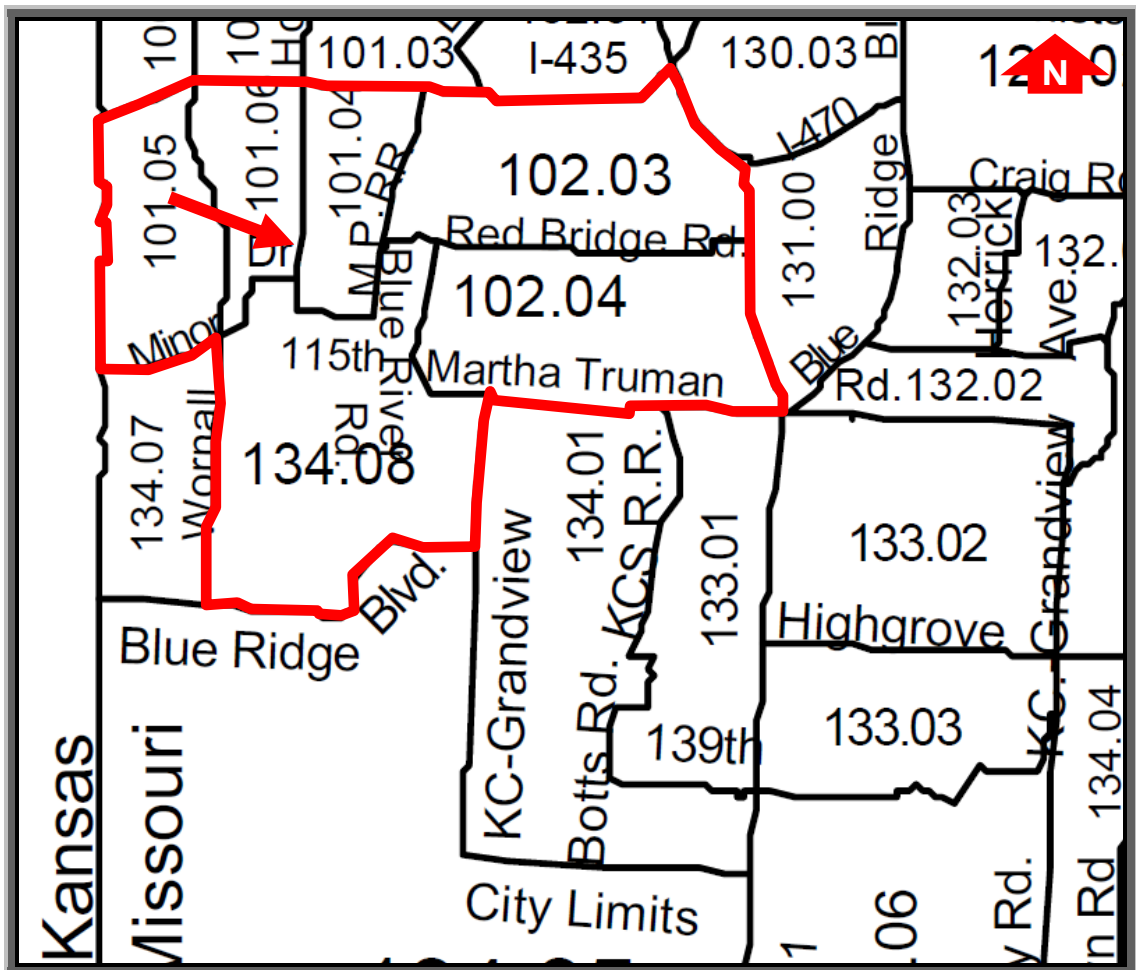
Access

The subject neighborhood has good linkage due to nearby Interstates 49 (US 71) and 435. Convenient north/south access within the neighborhood is provided by Holmes Road, Wornall Road, and State Line Road while east/west access is available from Red Bridge Road. Red Bridge Road becomes prestigious College Boulevard on the Kansas side of the state line but also runs to the east connecting to Interstate 49. Interstate 49 connects with Interstate 470 at the Grandview Triangle. Until 2011 when a new bridge was completed, the Blue River caused flooding and at-grade rail lines caused delays, along Red Bridge Road. The new span relieved these traffic hazards and adds a number of aesthetic features (historical interpretive panels, LED lighting, picnic space and river access).

Neighborhood Demographics

The Red Bridge Neighborhood lies within the southerly portion of Census Tract 101.06. However, the subject Red Bridge neighborhood comprises portions of Census Tracts 101.04, 101.05, 101.06, 102.03, 102.04, and 134.08 (all in Jackson County) as indicated below on the Census 2000 Tract Map:

CENSUS TRACT MAP



The tables below provide population, household, and median household income figures from previous census data.

Census Tract	Population			
	1980	1990	2000	2010
101.05	2,715	3,056	3,475	3,690
101.04	777	682	671	705
101.06	2,815	2,814	2,581	2,386
102.03	5,084	4,373	4,303	4,197
102.04	4,022	4,226	3,868	4,085
134.08	3,451	4,717	4,999	5,064
Total	18,864	19,868	19,897	20,127
% chg.		5.3%	0.1%	1.2%
chg. '80 to '10				6.7%

Census Tract	Households			
	1980	1990	2000	2010
101.05	1,034	1,427	1,694	1,857
101.04	269	269	277	298
101.06	1,061	1,246	1,255	1,192
102.03	1,484	1,728	1,613	1,611
102.04	1,473	1,573	1,691	1,835
134.08	1,085	1,989	2,211	2,303
Total	6,406	8,232	8,741	9,096
% chg.		28.5%	6.2%	4.1%
chg. '80 to '10				42.0%

Census Tract	Median HH Income			
	1980	1990	2000	2010
101.05	\$30,676	\$37,442	\$44,803	\$57,249
101.04	\$35,379	\$41,985	50,685	\$57,143
101.06	\$26,250	\$37,813	47,778	\$53,365
102.03	\$30,144	\$46,019	\$49,152	\$53,541
102.04	\$20,864	\$31,171	\$36,069	\$37,973
134.08	\$28,196	\$36,262	\$45,086	\$53,230
Total	\$27,341	\$37,964	\$44,601	\$51,174
% chg.		38.9%	17.5%	14.7%
chg. '80 to '10				87.2%
KC MSA	\$31,560	\$31,246	\$46,696	\$60,442
diff.	-13.4%	21.5%	-4.5%	-15.3%

Population growth in the neighborhood has been minimal over the past four decadal censuses. During this period the subject neighborhood grew only 6.7% while the Kansas City MSA grew 41.0%. Household formation in the neighborhood was faster than population growth due to multifamily additions in the 1980s. Growth has slowed considerably since. The affluence of neighborhood households lagged MSA averages in 1980, 2000, and 2010. In 2010, the neighborhood lagged the MSA average by 15.3% but was quite reflective of the median

household income in Jackson County of \$51,101. The median age within the census tracts of 42.5 years is considerably higher than the MSA median of 36.1 years.

School District

The proposed redevelopment area and much of the Red Bridge neighborhood is located within the Center 58 School District, one of the smallest districts in the metropolitan area. The district is served by one high school, one middle school, and five elementary schools. Student counts and the composite 2013-2014 ACT scores for the various Missouri-side districts are included below:

School District	Students	ACT
Lee's Summit	17,615	23.5
Blue Springs	14,212	22.6
Grain Valley	3,859	22.2
Missouri	887,141	21.8
Fort Osage	4,906	21.1
United States	50.1M	21.0
Independence	14,072	20.9
Raytown	8,693	19.9
Center	2,563	18.6
Grandview	4,037	18.2
Hickman Mills	6,266	16.6
Kansas City	14,118	16.1

Secondary education is conveniently located throughout the Kansas City MSA including numerous junior colleges, community colleges, colleges, universities, and technical institutes. Avila University (private, co-educational, values-based liberal arts institute sponsored by the Sisters of St. Joseph of Carondelet) is located just southwest of the proposed redevelopment area. The 39.15-acre campus consists of 14 buildings containing 325,000 square feet serving roundly 1,200 undergraduate and 600 graduate students.

Neighborhood Development

Single-family residential neighborhoods dominate the subject neighborhood. Most of this development dates to the 1950s and 1960s when famed local developer J.C. Nichols began developing Verona Hills and Red Bridge. Strong emphasis was placed on community planning, and the architectural style of the homes, statuary and entrance markers, and the proximity to the Red Bridge Shops were part of an overall package intended to provide a coherent residential environment and high quality of life for residents. This early emphasis on quality helped the neighborhood maintain its appeal over the passage of time.

Verona Hills was developed between the 1960s and 1980s and includes roundly 750 homes and 2,100 residents. Red Bridge also dates its inception to the 1960s and currently has roundly 3,550 residents. The average home sale price in Verona Hills (\$282,846) is well above the metro average (\$199,827) while Red Bridge South (\$196,635) is near the average, and Red Bridge North (\$148,900) is well below the average. These older homes tend to house older residents as indicated by the median age in the neighborhood (42.5 years) which exceeds the MSA median (36.1 years) by 17.7%.

Although single-family residences dominate, several apartment complexes are interspersed throughout the neighborhood along with several retirement, assisted-living, or hospice facilities. Fairly large religious facilities are located along Holmes Road and Wornall Road interspersed amongst the residential development. Educational uses include Avila University, Barstow School (college prep school), Notre Dame de Sion (college prep school), Lutheran High School, St. Thomas More Parochial School (preschool-8th grade), DeVry University, and Keller Graduate School of Management. Mount Moriah Cemetery is in the northeast corner of the neighborhood. St. Joseph Medical Center anchors the northwest corner of the neighborhood. Four golf courses (Minor Park Golf Course, Blue Hills Country Club, Leawood South Country Club, and Hallbrook Country Club), as well as, several neighborhood parks, are within or immediately adjoining the subject neighborhood.

Commercial development within the neighborhood is generally concentrated at the north or south near federal (I-435) or state highways (MO-150). The commercial development along Interstate 435 is generally office in nature while retail development dominates along Missouri Highway 150. The subject Red Bridge Shopping Center is the major retail development at the heart of the neighborhood. Red Bridge Shopping Center was once a vibrant retailing focal point providing such amenities as groceries, hardware, drugstore, bowling alley, theater, and daycare. However, increasing competition, aging design, lack of maintenance, and inattentive ownership have caused the center to languish to only 41.9% occupancy.

Adjoining Development

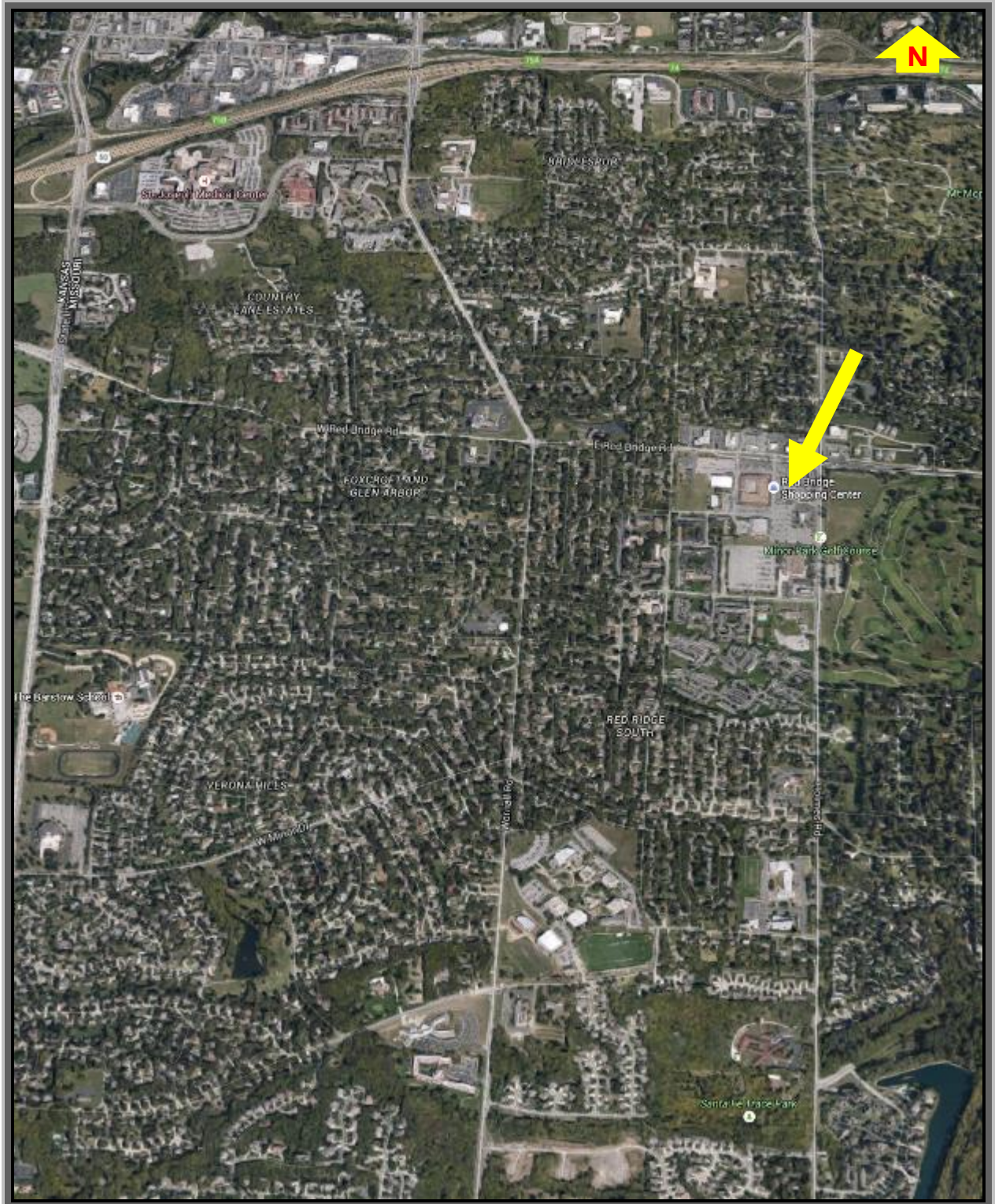
Over the years complimentary and services uses built up surrounding Red Bridge Shopping Center. Moving from east to west along the north side of Red Bridge Road are BP Amoco (1998), a vacant/for sale bank branch (1972), animal clinic (1974), restaurant (2002), carwash (2000), Sonic drive-in (2003), and the Red Bridge Professional Office Building. The bank branch was once occupied by Central Bank of Kansas City but has been vacant for 1½ years. The restaurant was originally a Wendy's quick-serve but now is occupied by Mama Leone's. The Red Bridge Professional Office Building (1972, 46,315 Sq.Ft.) is sustaining 39.2% vacancy.

A Burger King quick-serve restaurant (1991) is at the northeast corner of Red Bridge Road and Holmes Road. Next north is an AT&T service building. The Minor Park Golf Course is at the southeast corner of Red Bridge Road and Holmes Road. To the southwest and west of the proposed redevelopment area are single-family residences and the Coach House Apartments, a sprawling complex of 807 units (apartments, duplexes, and townhomes) with various amenities developed in multiple stages between 1964 and 1987. Directly south of the subject daycare is a tract of vacant land containing 2.63 acres listed for sale at \$2.53 per square foot. To the southeast is an office building (1983) housing two education uses (DeVry and Keller), a McDonald's quick-serve restaurant, and a YMCA facility (1973, 10,383 Sq.Ft.).

Three uses are pad sites fronting Red Bridge Shopping Center along Holmes Road. Directly on the corner is Kicks 66 gas/convenience store (1997). Next south is CVS Drugstore (2002) and then a bank branch for US Bank (1963). Some uses left the shopping center but remained in the neighborhood. The drugstore departed the main subject retail strip building for the Holmes Road pad site (CVS), the hardware store moved closer to Interstate 435, and the animal clinic moved to the north side of Red Bridge Road. Some tenants at the subject shopping center providing

neighborhood services (beauty shop, barber, etc.) have no alternative location options within the neighborhood and are thus forced to continue operating at the deteriorating subject property.

NEIGHBORHOOD AERIAL



Red Bridge Plan Area

An area plan for the Red Bridge neighborhood is currently being developed by city planning.

Conclusion

The Red Bridge neighborhood is now advancing in age in terms of both improvements and population age, while median household incomes lag the metropolitan average. The Verona Hills subdivision was started in the 1950s and Red Bridge in the 1960s. The main retail buildings at the subject Red Bridge Shopping Center (107,937 combined square feet) were built between 1959 and 1961 and are now 54 to 56 years in age, functionally obsolete, physically deteriorated, and sustaining 80.2% vacancy. The subject grocery store dates to 1979 (age=36 years) and at 35,950 square feet is dysfunctional by modern standards. The most recent addition to the neighborhood (Sonic) was built in 2003 (12 years ago). The lack of neighborhood services and retailing apart from Red Bridge Shopping Center, as well as, fairly dense population, bodes well for continued commercial use of this rather prominent site.



PHOTOGRAPH NO. 1:

**ALL PHOTOGRAPHS
REFLECT THE CONDITION
OF THE NEIGHBORHOOD
AS OF MAY & JUNE 2015**

**KICKS 66
FRONTING THE PROPOSED
REDEVELOPMENT AREA**



PHOTOGRAPH NO. 2:

**CVS DRUGSTORE
FRONTING THE PROPOSED
REDEVELOPMENT AREA**



PHOTOGRAPH NO. 3:

**US BANK
FRONTING THE PROPOSED
REDEVELOPMENT AREA**



PHOTOGRAPH NO. 4:

**A VIEW NORTH
ON HOLMES ROAD**



PHOTOGRAPH NO. 5:

**A VIEW SOUTH
ON HOLMES ROAD**



PHOTOGRAPH NO. 6:

**LOOKING WEST
ON RED BRIDGE ROAD**



PHOTOGRAPH NO. 7:

**A VIEW SOUTH
ON OAK STREET**



PHOTOGRAPH NO. 8:

**A VIEW WEST
ON E 112TH STREET**



PHOTOGRAPH NO. 9:

**A VIEW SOUTH
ON LOCUST STREET**



PHOTOGRAPH NO. 10:
**THE NW ENTRANCE
FROM RED BRIDGE ROAD**



PHOTOGRAPH NO. 11:
**THE SE ENTRANCE
FROM HOLMES ROAD**



PHOTOGRAPH NO. 12:
**THE NE ENTRANCE
FROM HOLMES ROAD**



PHOTOGRAPH NO. 13:

**VACANT BANK BRANCH
ON THE NORTH SIDE OF
RED BRIDGE ROAD
(VACANT FOR 1½ YEARS)**



PHOTOGRAPH NO. 14:

**RED BRIDGE PROFESSIONAL
BUILDING ON NORTH SIDE
OF RED BRIDGE ROAD
(39.2% VACANCY)**



PHOTOGRAPH NO. 15:

**MINOR PARK GOLF COURSE
ON EAST SIDE OF
HOLMES ROAD**



PHOTOGRAPH NO. 16:

**FORMER WENDY'S QSR
NOW MAMA LEONES
(ON NORTH SIDE OF
RED BRIDGE ROAD)**



PHOTOGRAPH NO. 17:

**SONIC QSR
NEWEST DEVELOPMENT
IN NEIGHBORHOOD
(BUILT IN 2003)**



PHOTOGRAPH NO. 18:

**LOOKING EAST ON
RED BRIDGE ROAD**

SITE & IMPROVEMENT DATA

Location

The proposed redevelopment area is located in the southwest quadrant of the intersection of Red Bridge Road and Holmes Road and the southeast quadrant of the intersection of Red Bridge Road and Oak Street. The redevelopment area is also bisected into east and west halves by Locust Street which runs north to south through the center of the property connecting to E 112th Street which runs east/west through the south end of the property. The proposed redevelopment area lies within the south-central portion of the Kansas City metropolitan area, the southwest portion of Kansas City, Missouri and Jackson County, Missouri.

AERIAL PHOTOGRAPH



Access

The proposed redevelopment area has significant frontage and good access. Three entrances are along the west side of Holmes Road which is of four-lane, two-way design with center turn lane. Additionally, three entrances are available along the south side Red Bridge Road, a two to three-lane, two-way roadway with grassy median and dedicated turn lane south to Locust Street. E 112th Street (two-lane, two-way design) also leads into the southwest corner of the proposed redevelopment area. The intersection of Red Bridge Road and Holmes Road is controlled by an electronic traffic signal.

Land Area

The proposed redevelopment area is of unusual configuration. According to Jackson County GIS Mapping the three subject tax parcels contain a total of 729,484 square feet or 16.75 acres. KCMO GIS indicates a slightly smaller 725,555 square feet or 16.66 acres. The table below provides the land area of each individual subject tax parcel:

Tax Parcel No.	Address	JackMO		KCMO	
		Sq.Ft.	Acres	Sq.Ft.	Acres
65-240-02-06-02-4-00-000	401 E Red Bridge Rd.	24,014.74	0.55	23,925.18	0.55
65-240-02-06-02-5-00-000	None assigned	60,070.37	1.38	58,032.21	1.33
65-240-02-11-00-0-00-000	453 E Red Bridge Rd.	645,398.62	14.82	643,597.18	14.77
Total		729,483.73	16.75	725,554.57	16.66

Per Jackson County GIS Mapping (and recorded plats—see following page) the proposed redevelopment area has 1,090.02 feet fronting the south side of Red Bridge Road, 237.52 feet on the west side of Holmes Road, 276.00 feet on the east side of Oak Street, and additional frontage (± 600 feet) along both sides of Locust Street and both sides of E 112th Street (± 380 feet). The land-to-building ratio (LBR) of the proposed redevelopment area is a somewhat spacious 4.9 : 1 while the floor-area ratio (FAR) is 0.21 : 1.

Utilities

Water

The city of Kansas City, Missouri provides water to its residents.

Sewers

The city of Kansas City, Missouri provides stormwater and sanitary sewer service to its residents. No water detention basins serve the proposed redevelopment area or the 11.4 acres of paving.

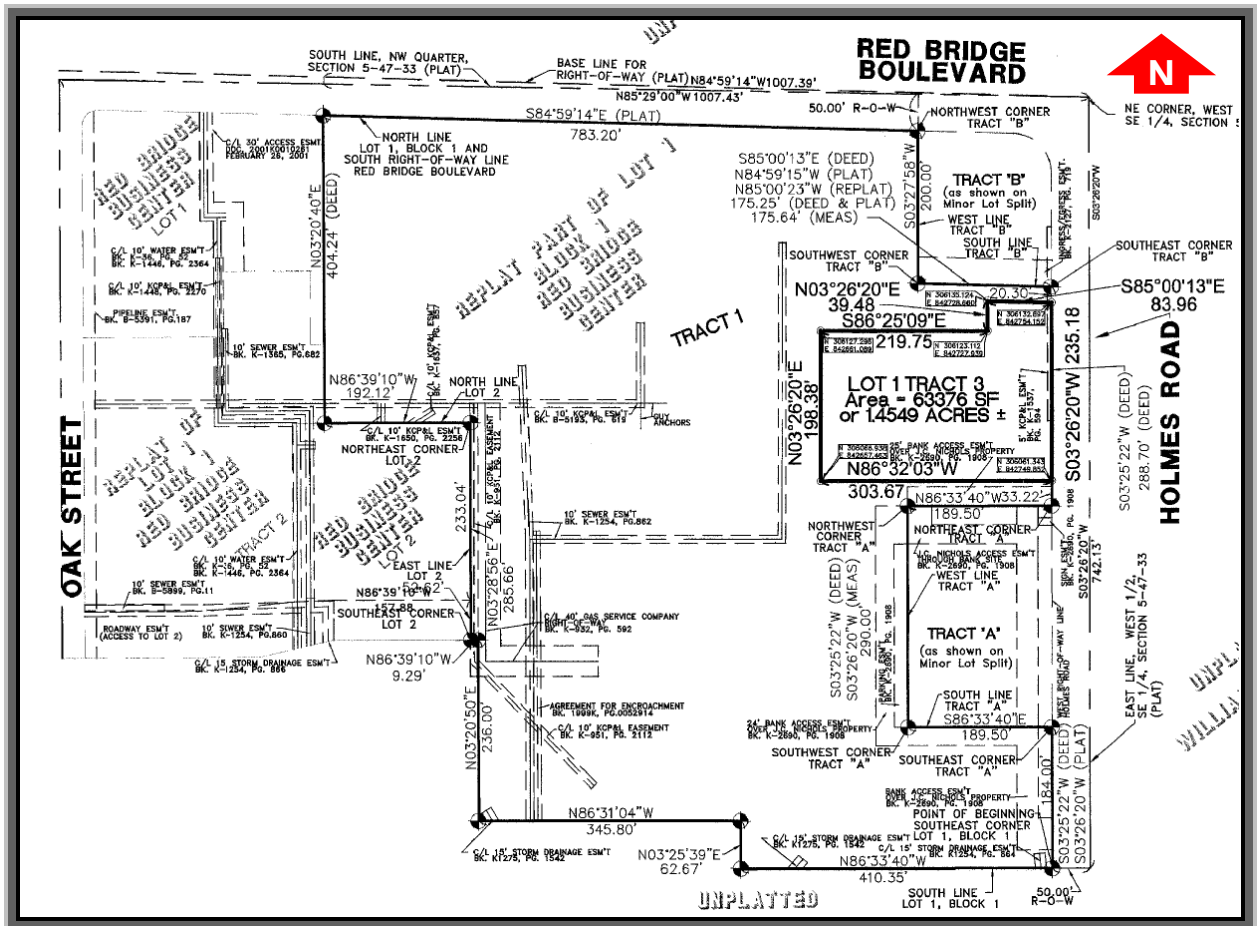
Electricity

Kansas City Power & Light (KCP&L; private regulated utility owned by Great Plains Energy, Inc.) provides electricity to residents of Kansas City, Missouri. Unsightly overhead electric lines run along the south side of Red Bridge Road.

Natural Gas

Missouri Gas Energy (MGE; a division of Southern Union Company, publically traded and state regulated) provides natural gas to residents in Kansas City, Missouri.

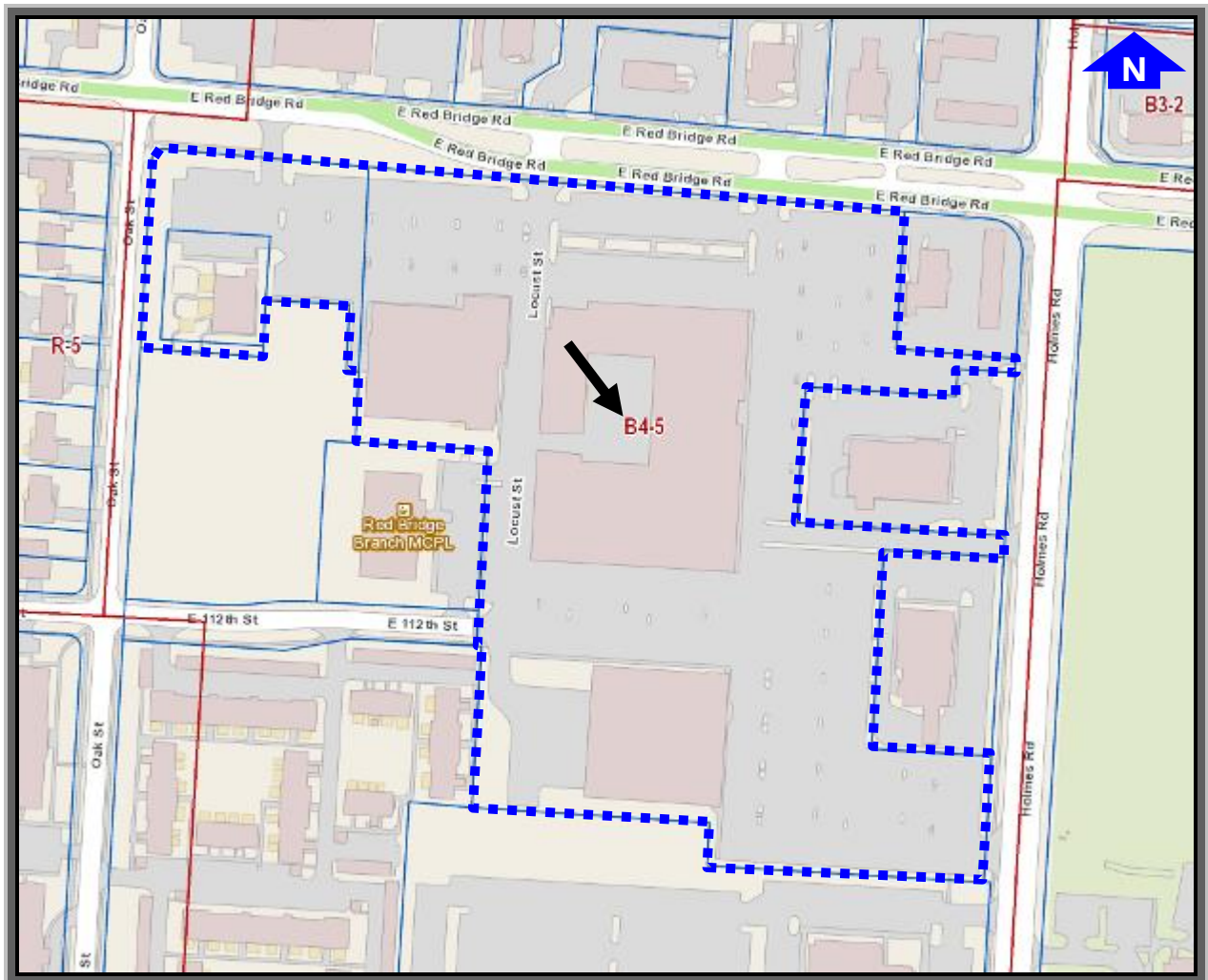
PLAT MAP



Zoning

The entirety of the proposed redevelopment area is zoned B4-5, Heavy Business/Commercial 4 District. The primary purpose of the B4 district is to accommodate “heavier” commercial activities and a limited range of industrial uses with operating characteristics that make them generally incompatible with mixed-use or neighborhood-oriented environments. The proposed redevelopment area together with the commercial development adjoining to the south and on the north side of Red Bridge Road is surrounded by various intensities of residential zoning (R-80, R-1.5, R-5, and R-7.5).

SUBJECT ZONING MAP

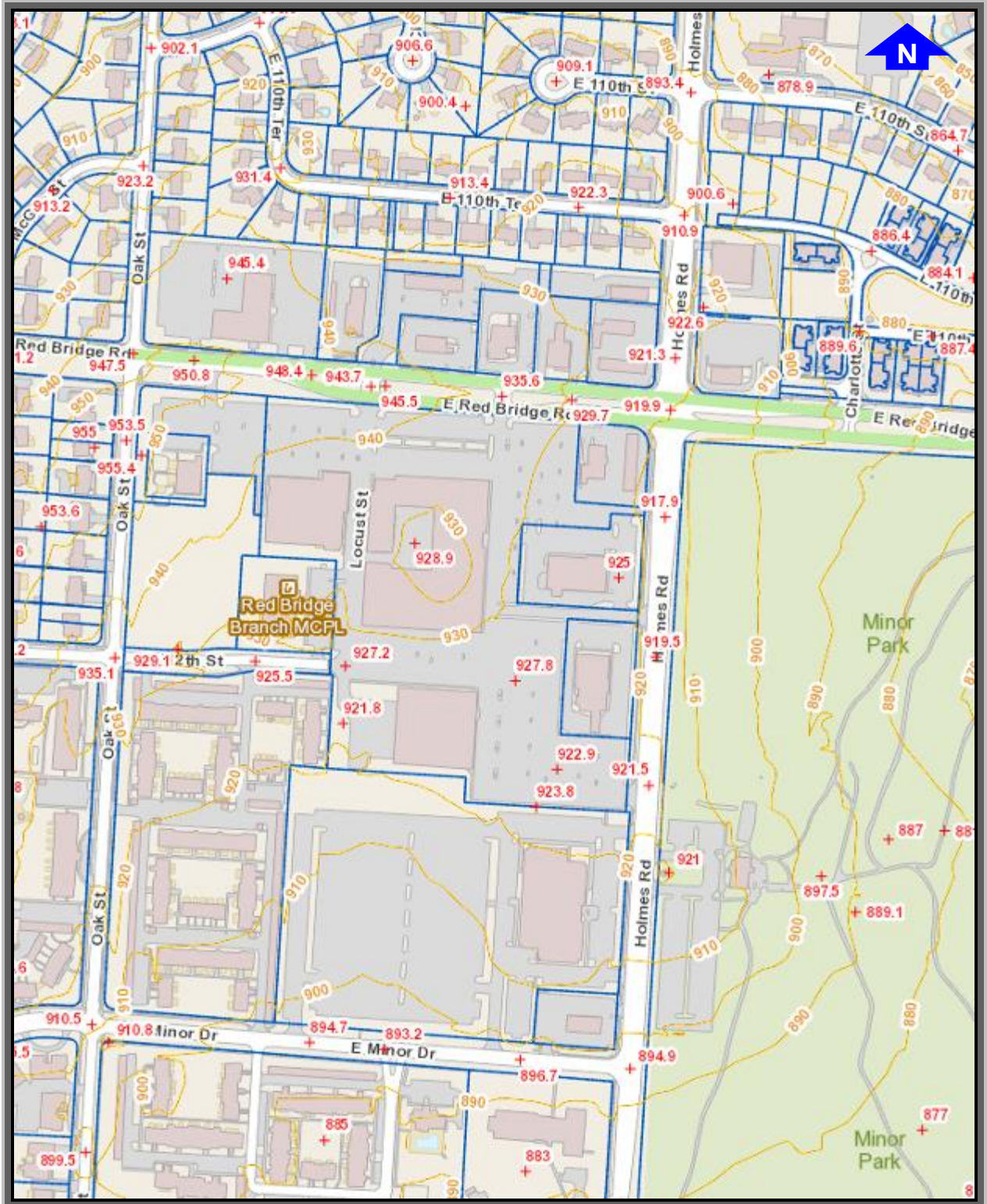


Topography

The proposed redevelopment area essentially slopes downward from the northwest to the southeast. The high elevation (955.4') is just west of the daycare facility (NWC) and the low elevation is in the southeast corner (921.5'). Some areas of modest ponding were observed during inspections after rainfalls. A low area along the southwest portion of the vacant building accumulates runoff. The topography map also indicates the courtyard area of the retail building is

2 feet below the surrounding elevation, which could lead to ponding (one drain is available in the courtyard).

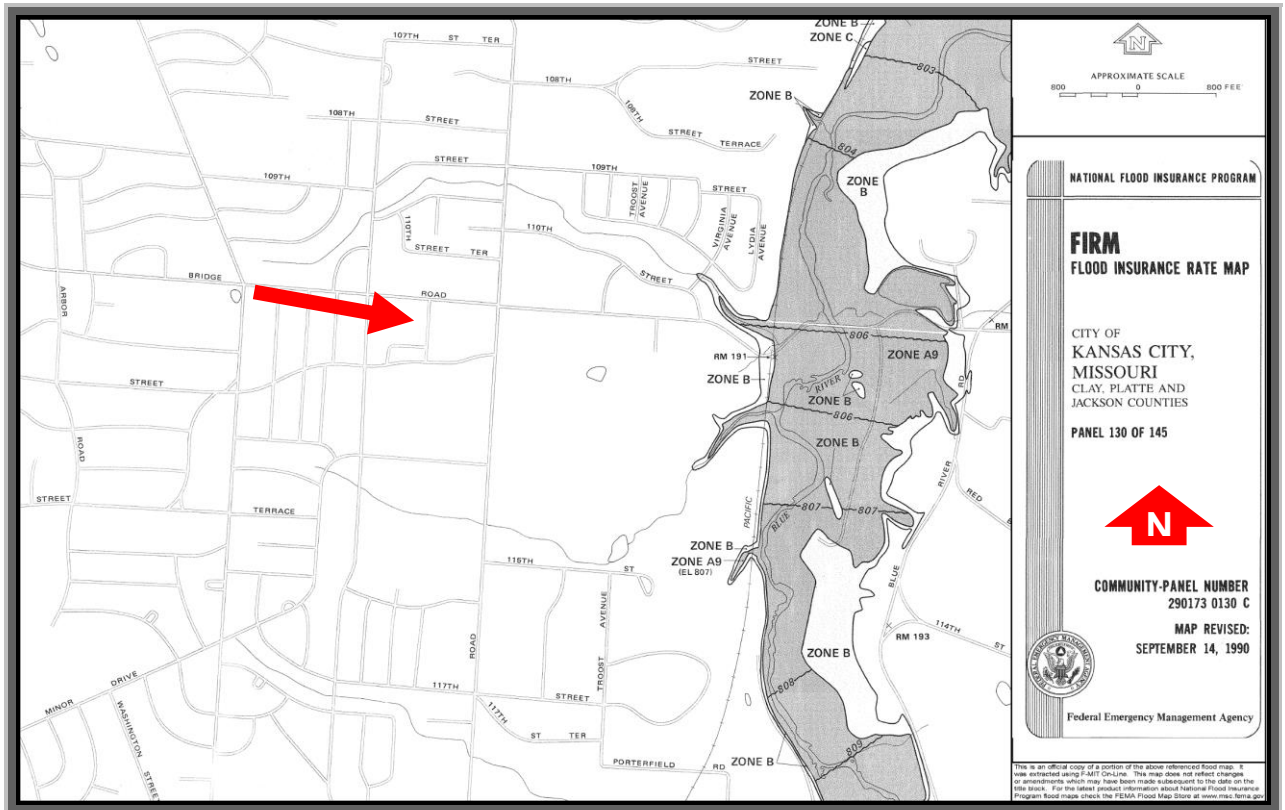
TOPOGRAPHIC MAP



FEMA

According to FIRM Community Panel 290173 0130 C (dated 14-Sep-90), the proposed redevelopment area lies outside the 100-year floodplain. The Blue River in the eastern portion of the subject neighborhood is prone to flooding. Bridge improvements have alleviated the traffic concerns associated with Blue River flooding.

FLOOD PLAIN MAP



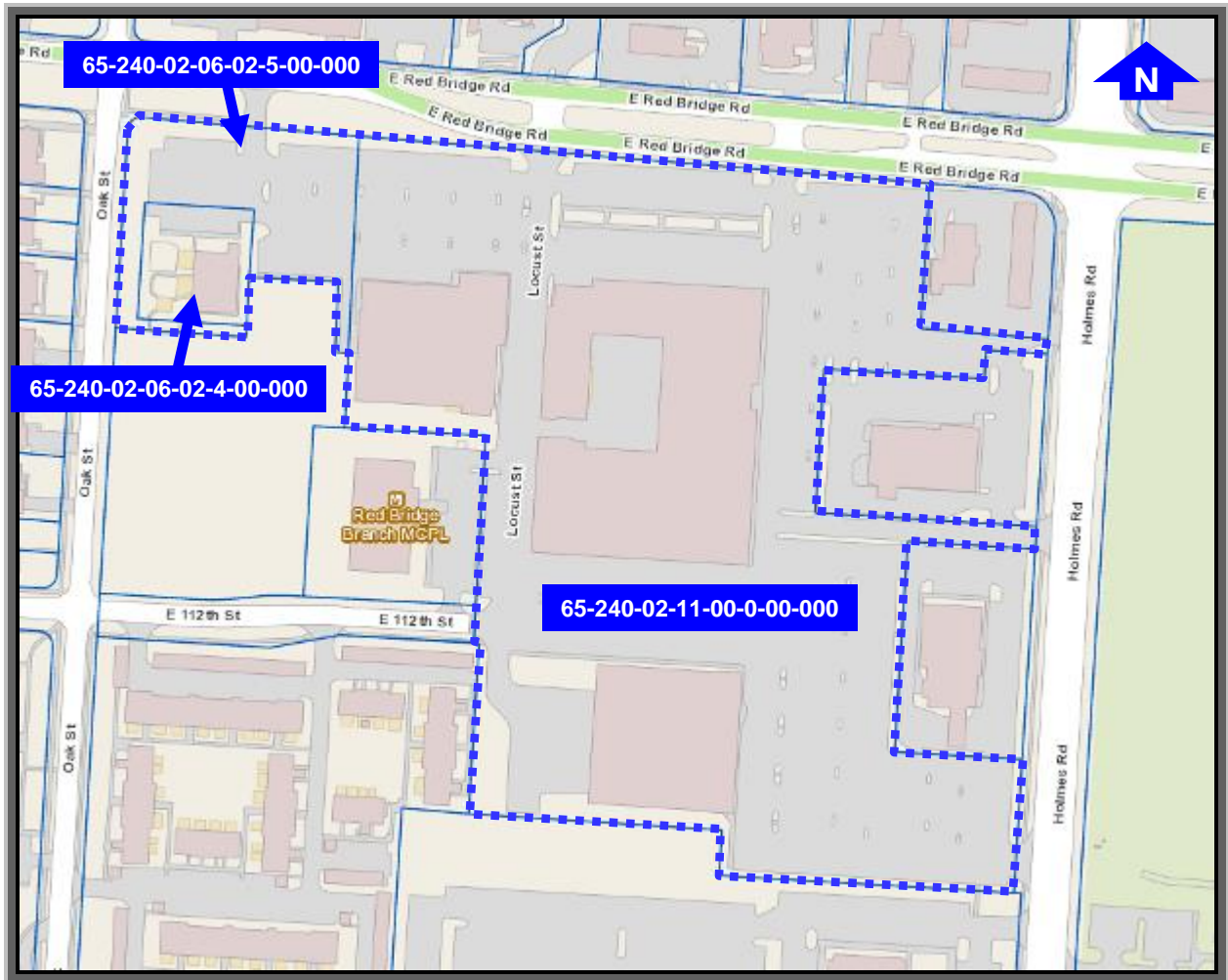
Traffic Counts

Missouri Department of Transportation (MoDOT) does not recorded traffic counts in the subject neighborhood. The city performed a count in October 2012 at peak hours (7 to 9 AM and 3 to 6 PM) which indicated approximately 11,300 vehicles passing through the intersection of Red Bridge Road and Holmes Road.

Assessment & Taxation

A reproduction of Jackson County Tax Map 65-240 showing the location of the three tax parcels comprising the proposed redevelopment area is included on the following page. All property is supposed to be reassessed in odd-numbered years, except that new construction (including remodeling) can be assessed in any year. The assessed valuation is 32% of the appraised value (commercial rate).

JACKSON COUNTY ASSESSMENT MAP



The appraised and assessed valuation and the real estate taxes levied against the three tax parcels comprising the proposed redevelopment area over the past 11 years is summarized in the tables below:

APPRAISED VALUATION

Year	401 Red Bridge -06-02-5	453 Red Bridge	Combined	Δ Annual	Δ '05-'15
2005	\$137,392	\$57,000	\$5,250,000	\$5,444,392	
2006	\$137,392	\$57,000	\$5,250,000	\$5,444,392	0.0%
2007	\$147,009	\$60,990	\$5,842,500	\$6,050,499	11.1%
2008	\$147,009	\$60,990	\$5,842,500	\$6,050,499	0.0%
2009	\$147,009	\$60,990	\$5,842,500	\$6,050,499	0.0%
2010	\$147,009	\$60,990	\$5,842,500	\$6,050,499	0.0%
2011	\$132,901	\$60,706	\$5,842,500	\$6,036,107	-0.2%
2012	\$132,901	\$60,706	\$5,842,500	\$6,036,107	0.0%
2013	\$132,901	\$60,706	\$6,840,000	\$7,033,607	16.5%
2014	\$132,901	\$60,706	\$6,840,000	\$7,033,607	0.0%
2015	\$132,901	\$60,706	\$6,840,000	\$7,033,607	0.0%
					29.2%

ASSESSED VALUATION

Year	401 Red Bridge	-06-02-5	453 Red Bridge	Combined	Δ Annual	Δ '05-'15
2005	\$43,965	\$18,240	\$1,680,000	\$1,742,205		
2006	\$43,965	\$18,240	\$1,680,000	\$1,742,205	0.0%	
2007	\$47,043	\$19,517	\$1,869,600	\$1,936,160	11.1%	
2008	\$47,043	\$19,517	\$1,869,600	\$1,936,160	0.0%	
2009	\$47,043	\$19,517	\$1,869,600	\$1,936,160	0.0%	
2010	\$47,043	\$19,517	\$1,869,600	\$1,936,160	0.0%	
2011	\$42,528	\$19,426	\$1,869,600	\$1,931,554	-0.2%	
2012	\$42,528	\$19,426	\$1,869,600	\$1,931,554	0.0%	
2013	\$42,528	\$19,426	\$2,188,800	\$2,250,754	16.5%	
2014	\$42,528	\$19,426	\$2,188,800	\$2,250,754	0.0%	
2015	\$42,528	\$19,426	\$2,188,800	\$2,250,754	0.0%	29.2%

The county’s appraised valuation of the combined proposed redevelopment area increased in 2007 and 2013. The appraised value of the daycare went up in 2007 but down in 2011 (then unchanged). The parking parcel has been unchanged since 2007. The shopping center improvements increased 11.1% in 2007 (\$606,107), decreased 0.2% in 2011 (\$14,392), and increased 16.5% in 2013 (\$997,500). An appeal was never filed in 2013. Property record cards in the assessor office indicate the following:

Use	Built	Age	Quality	Condition
Daycare	1985	30	Average	Average
Vacant Building	1961	54	Average	Good
Strip Center	1959	56	Average	Good
Grocery	1979	36	Average	Good

The “average” quality assessments are perhaps possible if functionality is disregarded. After inspection, the “good” assessment of the condition of the improvements is clearly inaccurate. The vacant building is considered poor to fair condition, the strip center very poor to fair condition, and the grocery fair condition. The subject obviously suffers from inattentive (out of town) ownership that should have undertaken an appeal.

Real estate tax collections over the past 10 years are included below:

ASSESSED VALUATION

Year	401 Red Bridge	-06-02-5	453 Red Bridge	Combined	Δ Annual	Δ '05-'15
2005	\$43,965	\$18,240	\$1,680,000	\$1,742,205		
2006	\$43,965	\$18,240	\$1,680,000	\$1,742,205	0.0%	
2007	\$47,043	\$19,517	\$1,869,600	\$1,936,160	11.1%	
2008	\$47,043	\$19,517	\$1,869,600	\$1,936,160	0.0%	
2009	\$47,043	\$19,517	\$1,869,600	\$1,936,160	0.0%	
2010	\$47,043	\$19,517	\$1,869,600	\$1,936,160	0.0%	
2011	\$42,528	\$19,426	\$1,869,600	\$1,931,554	-0.2%	
2012	\$42,528	\$19,426	\$1,869,600	\$1,931,554	0.0%	
2013	\$42,528	\$19,426	\$2,188,800	\$2,250,754	16.5%	
2014	\$42,528	\$19,426	\$2,188,800	\$2,250,754	0.0%	
2015	\$42,528	\$19,426	\$2,188,800	\$2,250,754	0.0%	29.2%

The collections reflect the improper trend in appraised and assessed valuation which is suspect.

The subject improvements are either functionally obsolete or physically deteriorated and no longer reflect the highest and best use of this well-located retail parcel within South Kansas City. It is reasonable to assume if the proposed redevelopment area were redeveloped to the highest and best use, significantly higher taxes (real estate, personal property, sales, e-tax, and utility) would be generated.

Easements & Restrictions

The consultant was not provided with a title report and a determination of easements and restrictions that might affect the proposed redevelopment area was not possible. However, the recorded plats indicate the proposed redevelopment area is crisscrossed by utility easements (10 to 40 feet) that must be accounted for in development of any improvements. An access easement surrounds the bank branch site adjoining the southeast portion of the proposed redevelopment area.

Overlay Districts

The proposed redevelopment area is contained within one designated overlay district. The Red Bridge Road Community Improvement District (CID) was formed by Ordinance 080979 on November 11, 2008. The stated purpose of the CID is to fund the Red Bridge Festival, trash removal, snow removal, and landscaping.

RED BRIDGE CID MAP



The only nearby overlay district is the Carondelet Drive TIF approved by Ordinance 120694 on August 2, 1012) which was created to aid development of a 200,000-square-foot office building for Feightquote.com and potentially 1,800 parking space on a 30.47-acre tract near the southeast quadrant of Interstate 435 and the state line.

Historic Designations

National Register of Historic Places

No portion of the proposed redevelopment area has been nominated to the National Register of Historic Places (NRHP). No adjoining properties are listed on the NRHP.

Kansas City Historic Registry

No portion of the proposed redevelopment area has been nominated to the Kansas City Historic Registry (KCHR). No adjoining properties are listed on the KCHR.

Real Estate Improvements

The proposed redevelopment area encompasses the failing Red Bridge Shopping Center. The main improvement (52.5% by building area) is the C-shaped retail strip building at the center of the site containing 22 tenant spaces. To the south of the retail strip building is a grocery store (leased). To the west of the retail strip building is a vacant building that was once a bowling alley but was converted to dysfunctional office space. A daycare center is just west of the vacant building. Parking is spread amongst these building improvements. The improvements present on each Jackson County tax parcel are described below.

65-240-02-11-00-0-00-000

This tax parcel is improved with three structures and surrounding parking. Each structure is described below by descending building area.

Retail Strip Center

The retail strip center was built in 1959 (age=56 years) and is of one-story design containing 78,197 square feet (includes 3,871 below grade). The building is configured as a westerly facing C with an inner courtyard area used for loading. The configuration results in lack of visibility for the south and especially the west (rear) elevations. The strip building is currently configured for 22 tenant spaces of varying size and configuration including retailing, services, offices, restaurants and bars, recreation, and a theater (closed). The building has a brick exterior with clay tile mansard and flat gypsum plank on metal batts deck with cold mopped tar and pea gravel above. Storefronts are in metal frames. A canopy covers most of the sidewalk fronting the building elevations.

The building is now 56 years in age and suffers from excessive functional obsolescence and physical deterioration. The sidewalks, exterior walls, canopy, roof, and loading court exhibit extensive deterioration (very poor condition). The interior finish is generally dated, remains unfinished, has been damaged by water infiltration, or has safety concerns (asbestos, mold, lead-based paint, cold mopped tar roof, vandalism, vagrancy).

Grocery Store

The grocery store is leased to Lipari's Sun Fresh and dates to 1979 (age=36 years). The building faces Holmes Road, contains 35,950 square feet, and has a brick exterior, metal standing-seam

panel mansard and flat roof above with tar and gravel covering, and two dock-high doors for loading on the rear (west) elevation. The interior finish includes asphalt-composition tile flooring, gyp walls, and inexpensive dropped ceiling grid with recessed fluorescent fixtures and fire sprinklers. Departments include produce, meat, dairy, bakery, and canned/dry goods.

The building is now 36 years in age and is generally of fair quality in fair condition. The main issue is the small size of the store when competing grocery stores locally and nationally now generally containing 55,000 to 95,000 square feet. Later in this study it will be shown that nine recent grocery store openings around the metropolitan area were 48% to 140% larger than the subject Sun Fresh grocery store. The subject grocery store also has to compete with a newer Walmart Supercenter at State Line and Missouri Highway 150 (3 miles southwest) containing 200,000 square feet.

Vacant Building

The vacant (single-tenant) building is reported to originally have been designed as a bowling alley, dates to 1961 (age=54 years), and contains 29,740 square feet. The one-story building (but on different levels) has been vacant for years 3 years since June 30, 2012. The exterior is brick or block, and clay tile mansard roof along front elevation (covering sidewalk) with flat (tar and gravel) or sloped roof (membrane covering) above. The building has no windows.

The long vacant structure is somewhat hidden on the back side of the shopping center and suffers from extensive functional obsolescence and physical deterioration. The sidewalks, exterior walls, canopy, roof, and interior finish exhibit significant deterioration (poor condition). Significant water infiltration has damaged the interior. The building is also functionally obsolete due to the size (single-tenant), unusual floor plan (small or misconfigured or extremely large rooms) and interior access (varying grades), limited loading provision, and lack of windows.

65-240-02-06-02-4-00-000

This tax parcel consists of a leased daycare facility (LaPetite) of one-story design, was built in 1985 (age=30 years), and contains 5,024 square feet. The structure is fronted by paved parking (fair to average condition and only 12 spaces which would be inadequate without the adjoining shopping center parking) and has a fenced playground along the west elevation (facing Oak Street rather than behind the building). The building has a brick exterior, modest window provision, and flat roof with tar and gravel covering.

The building is now 30 years in age and is generally of fair quality in fair condition. The size of the structure is considered fairly typical for the Kansas City market.

65-240-02-06-02-5-00-000

The ill-configured parcel is used for parking and modest landscaping. The paving, striping, parking lighting, sidewalks, and curbs are in poor condition. The landscaping is in fair condition.

Site Improvements

The shopping center has expansive surface parking lots inside the proposed redevelopment area, calculated at roundly 11.4 acres by the consultant utilizing Kansas City, Missouri GIS Mapping. The paving is asphalt and ranges from very poor to fair condition. The parking space striping is generally faded. The entrance drives are also in very poor or fair condition. The parking lots include landscaping planters and parking lot lighting. The planters have concrete curbs generally

in poor to fair condition. Of the 47 planters present in the parking lots 29 or 62% currently have no landscaping. The shopping center has modest landscaping (grassy areas, roses, and a few trees). The parking lot appears to have adequate lighting (metal poles on concrete bases with vapor lamps). However, essentially all of the concrete bases have deteriorated and need repairs, sealant, and paint. Also the metal boxes at the base of the poles have generally been damaged. Only modest parking blocks are provided, mostly fronting the grocery and these are in poor condition. The shopping center has extensive concrete curbs and sidewalks which again are in poor condition (exposed rebar). The abundant total parking provision at the shopping center is approximately 957 spaces or 6.4 spaces per 1,000 square feet. The shopping center has modest signage along Holmes Road (one pole-mounted sign) but two pole-mounted signs and a monument sign along Red Bridge Road. By comparison, these signs are older and less appealing than the single high sign for CVS drugstore fronting the center.

Functionality

The proposed redevelopment area is underutilized in terms of density with a land-to-building ratio of 4.9 : 1. The parking lots are expansive (11.4 acres) and do not include water detention provisions. Generally, the site plan of the overall center is functional, except for the rear and south elevations of the retail strip building and the backside location of the vacant building. Modern design standards might draw the improvements closer to the frontage with multistory buildings (office or residential above) and parking located to the rear. Having Locust Street and E 112th Street run through the property is not functional. The parking is generally convenient to the buildings. The parallel parking along the sidewalk fronting the rear elevation of the retail strip building is unusual (aesthetically) and a safety concern. The strip retail building provides a significant amount of small shop space (22 spaces containing 78,197 square feet). The four-screen theater is obsolete by modern standards. The vacant building west of the retail strip building exhibits numerous functional issues including the size and single-tenancy, the floor plan (small or misconfigured or extremely large rooms), the interior access (varying grades), limited loading provision, and lack of windows. The grocery store (35,950 square feet) is small by modern standards (55,000 to 95,000 square feet). The daycare appears to be functional although it might be preferred to have the playground behind the building rather than along Oak Street. The configuration of the parking parcel is very unusual essentially limiting use to parking. The property is not ADA compliant. Due to the advancing age of improvements the building systems (heating, cooling, electrical, plumbing, restrooms, and fire safety) are obsolete.

Environmental Issues

An environmental report on the retail strip building dating to 1998 was available for review. Due to the age of the retail strip building friable asbestos-containing materials was found in the following materials:

- Floor tile & linoleum
- Ceiling panels (1x1 and 2x2)
- Mudded joint material
- Vibration damper material in the air handler units
- Wall plaster

- Sheetrock/tape/joint compound
- Ceiling texture

The asbestos content in this materials ranged from 10% to 97%. The majority of the pipe wrapping viewed had been compromised. Some of the floor tile had also been compromised. The advanced age of the improvements also led to concern in the report over the presence of lead-based paint or PCBs in the transformers. PCBs might also be present in the ballasts of fluorescent fixtures. Due to water infiltration black mold is present in ceilings, walls, and carpeting of the retail strip building and the vacant building.

Billboards

No billboards are present within the proposed redevelopment area.

Conclusion

Various factors have led to the decline and advancing deterioration of the Red Bridge Shopping Center (now operating at 41.9% overall occupancy but only 19.8% occupancy amongst the 107,937 square feet of non-grocery and daycare space). Out-of-town and apparently inattentive or under-capitalized ownership has not managed or maintained the center appropriately. The grocery appears to be a viable use (though undersized) but is obviously negatively impacted by the failing adjoining retailing structures. The daycare appears to be a viable use but is a small portion of the overall proposed redevelopment area. Red Bridge Shopping Center suffers from extensive physical deterioration and functional obsolescence and safety concerns (layout, environmental, dumping, trash, vagrancy, vandalism, exposed electrical wiring, deteriorating sidewalks, compromised roofs causing ceiling collapses below, lack of comprehensive fire sprinklers). The accompanying decline in the shopping center appears to be a contributing factor to neighborhood issues (excessive vacancy, extended vacancy, conversion of newer national food chains to local operators).

RETAIL MARKET ANALYSIS

National Trends

According to the U.S. Census Bureau, national retail sales activity between 2000 and 2007 grew 37% at an average annual growth rate of 4.6%. Due to economic recession, retail sales nationally decreased 3.4% in 2008 and 7.3% in 2009. However, increases have followed annually from 2010 through 2014, with an overall increase of 28%. The table below provides the trend in retail sales (in trillions of dollars) in the U.S. since 2000:

Year	Retail Sales	Change
2000	\$2.99	-3.3%
2001	\$3.07	2.6%
2002	\$3.25	2.2%
2003	\$3.42	5.2%
2004	\$3.52	3.0%
2005	\$3.72	5.7%
2006	\$3.86	3.7%
2007	\$4.10	6.4%
2008	\$3.96	-3.4%
2009	\$3.68	-7.3%
2010	\$3.90	6.1%
2011	\$4.17	7.0%
2012	\$4.35	4.3%
2013	\$4.53	4.0%
2014	\$4.70	3.7%

The rate of growth has decreased in each of the past three years.

US retail sales growth typically changes at the rate of 4% to 8% per year. Retail sales were actually up 0.7% during the first eleven months of 2008, but due to a poor performance in December (sales were down 2.7% from November 2008 and 9.8% from December 2007) the annual figure decreased 3.4%. Retail sales in December 2010 were up 8.1% compared to December 2009 and 14.5% compared to December 2008. December sales increased 6.5% in 2011 and 4.4% in 2012. Growth in 2013 (4.2%) was the slowest since 2009 while December 2014 sales increased a more robust 4.7%.

An inventory trend of U.S. shopping centers and overall retail space as reported by CoStar Group, Inc. is shown in the tables on the following pages. The growth in the number of shopping centers and square feet began to decrease significantly in 2Q 2009. Growth in the overall U.S. retail market has been almost none existent over the 6 years since 1Q 2009 (only 2,798 centers or 3.7% growth).

For many years the National Research Bureau (NRB) tracked the gross leasable area (GLA) per capita of the nation's MSA shopping center inventory in their Shopping Center Census. In 2004 CoStar Group, Inc. purchased NRB and changed methodology and reporting. The tables on the following page provide the trend in GLA per capita nationally since 2000. The CoStar figures for 2007 and forward are based upon the total national retail inventory:

US PER CAPITA RETAIL SQUARE FOOTAGE

Year	NRB	Chg.
2000	21.60	1.80%
2001	21.80	0.93%
2002	21.90	0.46%
2003	22.10	0.91%
2004	22.30	0.90%
2005	22.60	1.35%
2006	22.90	1.33%

Year	CoStar	Chg.
2007	29.75	-0.05%
2008	30.80	3.54%
2009	31.23	1.39%
2010	38.10	22.0%
2011	38.97	2.3%
2012	39.98	2.6%
2013	39.09	-2.2%
2014	39.29	0.5%

Year	ICSC	Chg.
2007	23.0	0.44%
2008	23.1	0.43%
2009	24.2	4.76%
2010	24.0	-0.83%
2011	23.8	-0.83%
2012	23.7	-0.42%
2013	23.8	0.42%
2014	--	--

U.S. SHOPPING CENTER INVENTORY TREND (COSTAR GROUP, INC.)

U.S. SHOPPING CENTERS				
Year	Centers	Change	Total GLA	Change
2007	72,132	0.7%	4,117,377,418	0.72%
2008	72,407	0.3%	3,333,378,691	0.51%
2009	75,088	0.1%	3,389,027,003	0.16%
1Q 10	75,419	0.4%	3,396,249,006	0.21%
2Q 10	75,474	0.1%	3,399,181,471	0.09%
3Q 10	75,500	0.0%	3,401,255,142	0.06%
4Q 10	75,548	0.1%	3,404,762,194	0.10%
1Q 11	75,609	0.1%	3,409,100,649	0.13%
2Q 11	75,640	0.0%	3,411,504,924	0.07%
3Q 11	75,669	0.0%	3,414,083,947	0.08%
4Q 11	77,035	0.1%	3,446,692,810	0.09%
1Q 12	77,081	1.8%	3,449,882,274	0.96%
2Q 12	77,137	0.1%	3,452,469,659	0.07%
3Q 12	77,174	0.0%	3,454,933,240	0.07%
4Q 12	77,233	0.1%	3,459,312,964	0.13%
1Q 13	77,274	0.1%	3,462,367,313	0.09%
2Q 13	77,311	0.0%	3,464,370,978	0.06%
3Q 13	77,365	0.1%	3,468,459,887	0.12%
4Q 13	77,413	0.1%	3,472,251,150	0.11%
1Q 14	77,467	0.1%	3,475,527,812	0.09%
2Q 14	77,508	0.1%	3,478,395,196	0.08%
3Q 14	77,546	0.0%	3,481,988,128	0.10%
4Q 14	77,572	0.0%	3,485,520,259	0.10%

**U.S. RETAIL MARKET INVENTORY TREND
(CoSTAR GROUP, INC.)**

TOTAL U.S. RETAIL MARKET				
Year	Buildings	Change	Total GLA	Change
2006	817,872	--	9,409,340,524	--
2007	828,123	1.3%	9,610,012,054	2.1%
2008	842,490	13.6%	9,818,111,000	2.31%
2009	847,366	5.7%	9,915,638,987	-0.69%
2010	849,902	4.8%	9,962,934,860	-0.98%
2011	852,056	3.0%	10,001,816,782	1.04%
1Q-12	852,734	0.1%	10,012,943,344	0.11%
2Q-12	853,144	0.0%	10,019,925,426	0.07%
3Q-12	853,579	0.1%	10,028,355,975	0.08%
4Q-12	854,276	0.1%	10,041,886,825	0.13%
1Q-13	854,821	0.1%	10,050,960,099	0.09%
2Q-13	855,326	0.1%	10,058,918,839	0.08%
3Q-13	855,903	0.1%	10,071,862,124	0.13%
4Q-13	856,440	0.1%	10,080,108,871	0.08%
1Q-14	857,016	0.1%	10,092,082,379	0.12%
2Q-14	857,381	0.0%	10,098,719,634	0.07%
3Q-14	857,819	0.1%	10,108,029,721	0.09%
4Q-14	858,148	0.0%	10,117,449,857	0.09%

The GLA per capita reported by NRB steadily increased from 1992 to 2006. The figures for 2006 forward are from CoStar and indicate good growth in 2008 followed by lower levels of growth thereafter. It should be noted that according to the 2007 Economic Census, there were 1,122,703 retail establishments in the United States and a total of 14.2 billion square feet of retail space. Using these figures, there are approximately 46.6 square feet of retail space per capita in the nation. ICSC reports a much lower figure of 23.8 square feet per capita. The US Bureau of Labor Statistics reports 1,042,413 retail establishments as of 2Q 2014, suggesting a 7.2% decline since the Economic Census in 2007. Utilizing U.S. Energy Information Administration figures for retail building areas (14.56 billion Sq.Ft. in 2012) the per capita figure decreased only slightly during the recession to 46.2 square feet.

The amount of new retail space constructed in the U.S. decreased noticeably in 2008 (-8%) and precipitously in 2009 (-50%) and 2010 (-51%). The decrease slowed in 2011, 2012, and 2013 but increased noticeably in 2014. The following table indicates the trend in US retail construction in million square feet per year:

Year	Construction	Change
2006	260.4	5.2%
2007	255.2	-2.0%
2008	234.6	-8.1%
2009	117.6	-49.9%
2010	57.4	-51.2%
2011	48.3	-15.9%
2012	44.8	-7.2%
2013	41.8	-6.7%
2014	60.6	45.0%

The combined starts in the 4 years between 2010 and 2013 (192.3) is less than in any single year between 2003 and 2008 (6-year span). At the close of 2014, CoStar reports 49.37 million square feet under construction nationally.

Due to increasing sales and moderating construction, NRB/CoStar indicates centers were generating increasing sales per square foot at growth rates of 2% to 5% annually prior to the recent recession indicating the overall supply and demand balance was acceptable.

Year	Sales per SF	Chg.
2000	\$278.21	2.30%
2001	\$282.45	1.52%
2002	\$286.28	1.36%
2003	\$293.12	2.39%
2004	\$305.25	4.14%
2005	\$316.03	3.53%
2006	\$328.76	4.03%
2007	\$320.37	-2.55%
2008	\$283.10	-11.6%
2009	\$259.15	-8.5%
2010	\$274.96	19.2%
2011	\$294.21	7.0%
2012	\$306.86	4.3%
2013	\$319.74	4.2%

From 2007 to 2009, retail sales per square foot decreased annually including decline of 21.2% from 2006. However, in 2010 the figure increased 19.2% to \$275 per square foot. Although the recession lowered total sales it also forced the retirement or conversion of older dysfunctional centers (lowering square footage).

National retail figures published by REIS indicate increasing vacancy from 2006 to 2010:

Year	Vacancy
2006	7.2%
2007	7.5%
2008	9.1%
2009	10.6%
2010	11.0%
2011	11.0%
2012	10.6%
2013	10.4%
2014	10.2%

Vacancy increased during 2010 and held steady in 2011 and declined slightly in 2012, 2013, and 2014. REIS reports 1Q 2012 vacancy decline of 10 *bps* was the first decrease since 2Q 2005. REIS predicted continued decline to 10.1% by the end of 2014 which actually ended at a negligibly higher 10.2%.

Real Capital Analytics, Inc. reports a marked decrease in sales of retail properties in 2008 with only slight increases in 2009. Sales activity rebounded annually from 2010 to 2013. The number of transactions increased 29% to 7,813 properties in 2014 while total volume increased 31% to

\$82.6 billion. The average sale price equated to \$202 per square foot. The average retail cap rate nationally declined 25 *bps* in 2014 to 6.8%.

RCA – RETAIL TRANSACTION SUMMARY (\$BIL)

Year	Individual	Portfolio	Entity	Total
2011	\$26.0	\$9.1	\$9.4	\$44.6
2012	\$40.9	\$12.4	\$3.7	\$57.0
2013	\$40.3	\$16.0	\$6.5	\$62.9
2014	\$54.8	\$17.6	\$10.2	\$82.6

The sales volume in 2014 was nearly twice that of 2011.

RCA – RETAIL SECTOR SUMMARY (\$MIL)

Sector	Volume	YOY Δ	Prop.	YOY Δ	\$/SF	OAR	YOY Δ
NE/Mid-Atlantic	\$20,262	45%	1,506	18%	\$296	6.3%	-20%
Southeast	\$17,542	31%	1,732	20%	\$159	7.1%	-30%
Midwest	\$9,640	-12%	1,075	10%	\$135	7.3%	-4%
Southwest	\$9,486	6%	1,109	22%	\$171	7.1%	-15%
West	\$18,821	30%	1,503	31%	\$250	6.2%	-45%
Total	\$82,608	31%	7,813	29%	\$202	6.8%	-25%

The Midwest sector, which contains Kansas City, had the worst year-over-year (YOY) performance while the West sector had the strongest performance.

Below are the preference ratings for regional mall, power center, and neighborhood shopping centers reported by Real Estate Research Corporation (RERC) over the past eight quarters. The preference ratings are on a scale of 1 to 10 with 1 representing “very bad” investment conditions and 10 representing “very good” investment conditions.

Date	Regional Mall	Power Center	Neighborhood
2Q 2013	6.4 (5 th)	5.4 (9 th)	6.8 (4 th)
3Q 2013	6.4 (4 th)	5.4 (8 th)	6.2 (5 th)
4Q 2013	5.9 (6 th)	5.8 (9 th)	6.7 (4 th)
1Q 2014	5.9 (3 rd)	5.4 (1 st)	6.6 (7 th)
2Q 2014	6.2 (6 th)	5.3 (1 st)	6.1 (6 th)
3Q 2014	5.9 (3 rd)	5.8 (2 nd)	6.4 (5 th)
4Q 2014	5.9 (8 th)	5.8 (9 th)	6.6 (3 rd)
1Q 2015	5.7 (7 th)	5.4 (8 th)	6.5 (4 th)

At the end of 2004 the three retail types were the top rated investments (Neighborhood, Power Center, and then Regional Mall). However, by the end of 2007, regional malls were the least preferred investment, power centers were next to last, and neighborhood shopping centers were tied with hotels and industrial-flex for the next worse ranking. For the past eight quarters, retailing demand has fluctuated widely with neighborhood centers ranging between the 3rd and 7th ranking, regional malls ranging from the 3rd to 8th ranking, and power centers ranging from 1st to the 9th ranking. The noticeable decline in Regional Mall reflects the de-malling of America and the rise of the “new urbanist” and “life-style center” (open air) concepts.

PriceWaterhouseCoopers (PwC) also conducts institutional investor surveys. The First Quarter 2015 *PwC Real Estate Investor Survey*TM reported average overall cap rates of 6.38% for regional malls, 6.56% for power centers, and 7.00% for neighborhood shopping centers. The following are average investment criteria for retail as reported by PwC and RERC in 1Q 2015:

Criteria	Regional Malls		Power Centers		Neighborhood	
	RERC	PWC	RERC	PWC	RERC	PWC
IRR	7.4%	8.19%	7.9%	7.92%	7.7%	8.09%
Overall Cap Rate	5.6%	6.38%	6.5%	6.56%	6.2%	7.00%
Residual Cap Rate	6.3%	6.96%	7.0%	7.02%	6.7%	7.19%
Rent Change Rate	3.1%	2.67%	2.6%	1.67%	2.9%	1.84%
Expense Change Rate	2.8%	2.71%	2.8%	2.83%	2.8%	2.72%

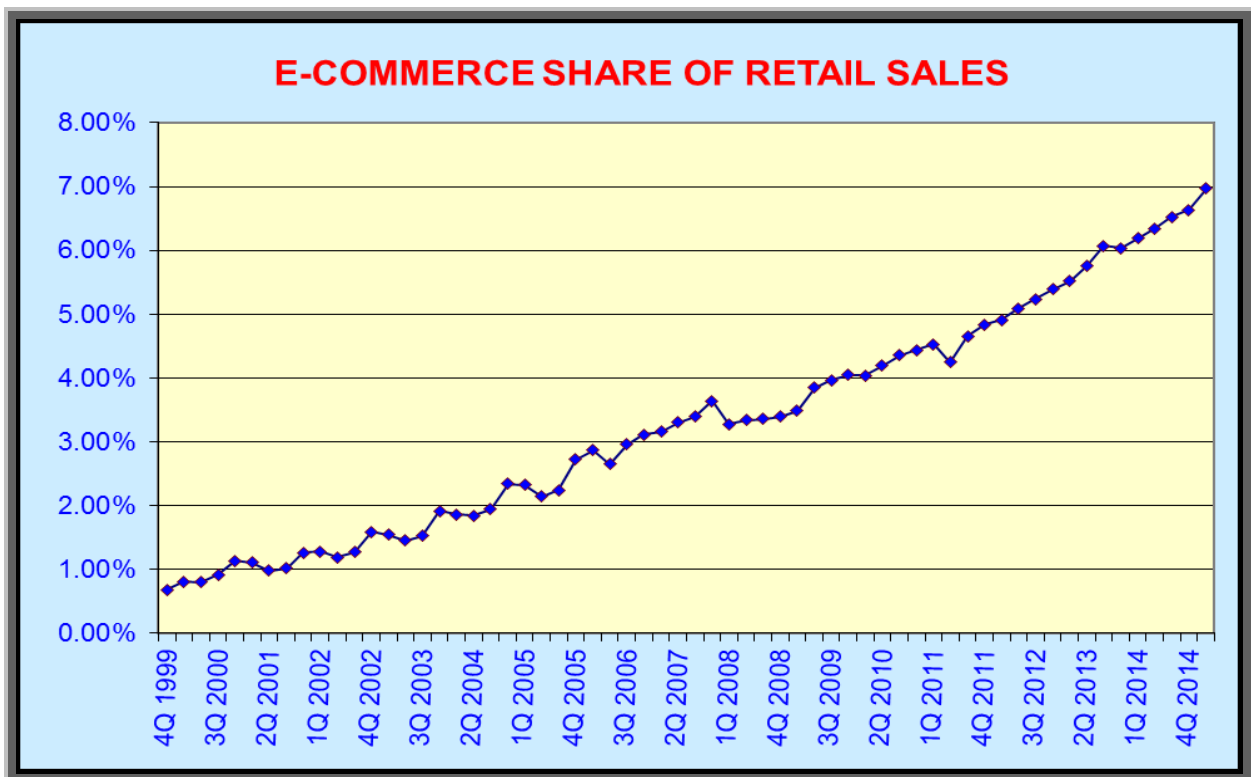
Regional malls generally generate the lowest overall cap rates. However, the PwC survey indicates neighborhood shopping centers and power centers performing quite near regional malls. According to PwC surveys in 1Q 2015, mall cap rates were up 17 *bps* from the previous quarter but were down 18 *bps* from one year prior while being down 85 *bps* from three years prior. Real Capital Analytics reports a significant decline occurred in the trading of malls in 2006 (a large 53% decrease from 2005). Part of the decline results from a lack of quality product on the market. It is estimated that 90% of better quality mall assets are now held by the top performing public owners and are rarely traded. Investors are forced into bidding wars in secondary markets. Re-leasing of empty anchor space continues to be a problem. Vacancy is rising (8.0% nationally per REIS) and more closings are being announced (Sears, JCPenney, Jones New York). Although all investors surveyed by PwC project stable cap rates over the next 6 months, some investors project property value declines of up to 10% for certain malls over the next 12 months. The continued popularity of big-box retailers and discount giants (Walmart, Kohl's, and Target), as well as, new open air retail concepts (new urbanism, life-style centers) continue to erode the draw of less than premier malls.

The average overall cap rate reported by PwC for power centers in 1Q 2015 was 6.56%, down 4 *bps* from the previous quarter while being 11 *bps* lower than the prior year and 76 *bps* lower than three years prior. Overall capitalization rates continue to contract as strong buyer competition exists for limited inventory. Investor still are cautious concerning the excessive supply, tenants reducing store sizes are closing stores, and perhaps continued consolidation or failures. Another factor is the limited growth potential of the income stream: power centers are dominated by a few tenants on long-term leases so the rent levels at the time of purchase are all an owner can expect for some period of time. PwC surveys indicate that 83% of respondents believe cap rates for power centers will remain unchanged over the next 6 months while 17% believe declines will occur. Investors surveyed indicate expectations of 10% value growth over the next 12 months.

The average going-in cap rate reported by PwC for neighborhood/community shopping centers for 1Q 2015 decreased 5 *bps* to 7.00%, a level 3 *bps* higher than one year prior but 18 *bps* lower than three years prior. Although overall rates are generally higher than regional malls, the PwC survey reveals investors believe neighborhood/community centers are usually stable investments. (Indeed, 75% of investors surveyed by PwC project stable cap rates over the next 6 months with the remainder evenly split between increases or decreases.) REIS reported 10.2% vacancy amongst neighborhood and community shopping centers nationally at the close of 2014. As with the other retail property types, limited offerings are creating frenzied bidding.

Even in times of recession consumers still need to purchase necessities such as food and to complete daily tasks such as banking, laundry, and dry cleaning. An emphasis on strong supermarket anchors, proper location, tenant mix, and layout are critical. Some observers also believe that the convenience orientation of strip centers will make them less vulnerable to losing market share to Internet retailers. The weakness of the neighborhood segment is that the amount of small-shop space makes the centers management intensive, long absorption periods are the norm, and collection loss can be excessive. The potential for rapid obsolescence is also a negative factor. Continued battles among major grocery chains for market share are expected to create problems for some centers.

The Commerce Department reports U.S. e-commerce retail sales decreased in 2008 (-4.5%) more than national retail sales (-3.4%) but thereafter have increased at rates significantly higher than national retail sales. E-commerce retail sales in 2009 amounted to \$141.1 billion comprising 3.8% of national retail sales. By 2014, e-commerce sales had increased to \$303.9 billion comprising 6.5% of national retail sales. Over the past 10 years the e-commerce percentage of national retail sales has grown from roundly 2% to approaching 7%. A graph showing the e-commerce share of US retail sales is shown below:



A tabulation of US retail sales versus e-commerce sales is included on the following page. In 4Q 2010, national retail sales broke the \$1 trillion level for the first time since 2Q 2008 and remained above that threshold each of the next 17 quarters. Meanwhile, e-commerce sales broke the 5% barrier in 2Q 2012 and continued upward breaking the 6% barrier in 4Q 2013 and approaching 7% in 1Q 2015. Notably, e-commerce sales have not experienced a quarterly decline or decline in the percentage of overall retail sales since 2Q 2011 (15 consecutive quarters).

U.S. RETAIL SALES & E-COMMERCE – MONTHLY

Period	Retail Sales (\$B)	E-Sales (\$B)	E% Total Sales
1Q 2003	\$772,185	\$11,928	1.54%
2Q 2003	\$858,787	\$12,477	1.45%
3Q 2003	\$872,506	\$13,291	1.52%
4Q 2003	\$912,109	\$17,512	1.92%
1Q 2004	\$834,829	\$15,515	1.86%
2Q 2004	\$870,480	\$16,065	1.85%
3Q 2004	\$873,596	\$16,952	1.94%
4Q 2004	\$938,573	\$21,992	2.34%
1Q 2005	\$839,112	\$19,529	2.33%
2Q 2005	\$937,779	\$20,141	2.15%
3Q 2005	\$947,835	\$21,276	2.24%
4Q 2005	\$994,452	\$27,080	2.72%
1Q 2006	\$899,329	\$25,846	2.87%
2Q 2006	\$993,153	\$26,363	2.65%
3Q 2006	\$982,936	\$29,085	2.96%
4Q 2006	\$982,809	\$30,592	3.11%
1Q 2007	\$999,534	\$31,613	3.16%
2Q 2007	\$1,012,375	\$33,477	3.31%
3Q 2007	\$1,020,404	\$34,688	3.40%
4Q 2007	\$1,072,153	\$38,992	3.64%
1Q 2008	\$1,025,344	\$33,645	3.28%
2Q 2008	\$1,015,023	\$33,897	3.34%
3Q 2008	\$998,082	\$33,494	3.36%
4Q 2008	\$925,889	\$31,482	3.40%
1Q 2009	\$909,867	\$31,708	3.48%
2Q 2009	\$903,784	\$34,823	3.85%
3Q 2009	\$922,905	\$36,587	3.96%
4Q 2009	\$938,636	\$37,996	4.05%
1Q 2010	\$959,264	\$38,719	4.04%
2Q 2010	\$963,671	\$40,419	4.19%
3Q 2010	\$972,603	\$42,381	4.36%
4Q 2010	\$1,003,648	\$44,517	4.44%
1Q 2011	\$1,016,544	\$46,065	4.53%
2Q 2011	\$1,047,396	\$44,473	4.25%
3Q 2011	\$1,044,153	\$48,585	4.65%
4Q 2011	\$1,065,316	\$51,575	4.84%
1Q 2012	\$1,081,347	\$53,091	4.91%
2Q 2012	\$1,075,859	\$54,750	5.09%
3Q 2012	\$1,089,884	\$57,051	5.23%
4Q 2012	\$1,104,646	\$59,545	5.39%
1Q 2013	\$1,118,329	\$61,720	5.52%
2Q 2013	\$1,112,179	\$64,014	5.76%
3Q 2013	\$1,120,658	\$68,026	6.07%
4Q 2013	\$1,126,312	\$68,026	6.04%
1Q 2014	\$1,133,058	\$70,102	6.19%
2Q 2014	\$1,160,023	\$73,586	6.34%
3Q 2014	\$1,167,011	\$76,172	6.53%
4Q 2014	\$1,168,601	\$77,558	6.64%
1Q 2015	\$1,151,196	\$80,259	6.97%

The following table and chart provide the annual e-commerce sales figures for the US since 2000.

U.S. RETAIL SALES & E-COMMERCE – ANNUAL

Period	Retail Sales (\$B)	E-Sales (\$B)	E% Total Sales
2000	\$3,071,692	\$28,349	0.92%
2001	\$3,153,315	\$34,595	1.10%
2002	\$3,245,407	\$43,466	1.34%
2003	\$3,415,587	\$55,208	1.62%
2004	\$3,517,478	\$70,524	2.00%
2005	\$3,719,178	\$88,026	2.37%
2006	\$3,858,227	\$111,886	2.90%
2007	\$4,104,466	\$138,770	3.38%
2008	\$3,964,338	\$132,518	3.34%
2009	\$3,675,192	\$141,114	3.84%
2010	\$3,899,186	\$166,036	4.26%
2011	\$4,173,409	\$190,698	4.57%
2012	\$4,351,736	\$224,437	5.16%
2013	\$4,477,478	\$261,786	5.85%
2014	\$4,628,693	\$297,418	6.43%



Metropolitan Kansas City Trends

Following is a summary of combined retail sales (total and per capita) for the six major counties within the Kansas City MSA (Jackson, Platte, and Clay on the Missouri side and Johnson, Wyandotte, and Leavenworth on the Kansas side):

Year	Retail Sales	Chg.	Per Capita	Chg.	US Per Capita	Chg.
2000	\$22,053,893,359	--	\$13,817	--	\$10,573	--
2001	\$22,784,389,693	3.3%	\$14,125	2.2%	\$10,746	1.6%
2002	\$23,798,208,296	4.4%	\$14,589	3.3%	\$10,877	1.2%
2003	\$22,782,558,181	-4.3%	\$13,851	-5.1%	\$11,247	3.4%
2004	\$23,889,742,199	4.9%	\$14,411	4.0%	\$11,863	5.5%
2005	\$24,662,875,339	3.2%	\$14,747	2.3%	\$12,487	5.3%
2006	\$25,670,004,875	4.1%	\$15,171	2.9%	\$12,984	4.0%
2007	\$26,122,859,470	1.8%	\$15,261	0.6%	\$13,276	2.2%
2008	\$27,625,072,362	5.8%	\$15,974	4.7%	\$12,978	-2.2%
2009	\$24,701,011,183	-10.6%	\$14,115	-11.6%	\$11,834	-8.8%
2010	\$24,426,441,170	-1.1%	\$13,819	-2.1%	\$12,419	4.9%
2011	\$26,001,421,647	6.4%	\$14,613	5.7%	\$13,275	6.9%
2012	\$27,138,199,253	4.4%	\$15,129	3.5%	\$13,831	4.2%
2013	\$27,838,930,224	2.6%	\$15,387	1.7%	\$14,329	3.6%
2014	\$29,453,743,048	5.8%	\$16,102	4.6%	\$14,723	2.8%

Retail sales fell precipitously in 2009 (-10.6%) and 2010 (-1.1%) as a result of the economic recession but were followed positive increases in 2011 (6.4%), 2012 (4.4%), 2013 (2.6%), and 2014 (5.8%). Per capita retail sales in Kansas City exceeded the national average by 30.7% in 2000 but that advantage decreased to 12.8% by 2014.

Real Capital Analytics reports in *US Capital Trends 2014 Year in Review* that the Kansas City retail market (strip centers) had 24 transactions in 2014 with volume of \$225.8 million. Sale prices ranged from \$74 to \$653 per square foot and averaged \$133 per square foot, slightly above the Midwest average of \$124 per square foot. Overall capitalization rates ranged from 6.3% to 8.5% averaging 7.3%, slightly below the Midwest average of 7.96%.

Lane4 Property Group, one of Kansas City's leading retail brokers, publishes an annual review (*Kansas City Retail Report*) and quarterly synopsis (*The Orange Report*, based upon CoStar figures) of the Kansas City shopping center market. Following is the quarterly performance of the Kansas City retail market as reported by Lane4 over the past 10 quarters:

Quarter	GLA	Occupancy	Rent
4Q 2012	109,342,244	91.0%	\$12.44
1Q 2013	107,931,410	91.2%	\$12.43
2Q 2013	108,478,617	91.3%	\$12.34
3Q 2013	108,830,457	91.5%	\$12.38
4Q 2013	105,826,378	91.6%	\$12.24
1Q 2014	108,277,196	91.4%	\$12.58
2Q 2014	109,087,621	91.5%	\$12.60
3Q 2014	109,780,093	91.5%	\$12.39
4Q 2014	109,697,613	91.9%	\$12.28
1Q 2015	110,364,847	91.7%	\$12.29

Despite an addition of 1.85 million square feet of inventory to the retail market the occupancy and average rent have remained fairly steady.

Lane4 (via CoStar) reports higher vacancy for shopping centers. A table of vacancy for Kansas City shopping centers covering the past 12 quarters is included below:

Quarter	Vacancy
1Q 2012	13.6%
2Q 2012	12.9%
3Q 2012	12.5%
4Q 2012	12.3%
1Q 2013	11.9%
2Q 2013	11.6%
3Q 2013	11.4%
4Q 2013	11.9%
1Q 2014	11.5%
2Q 2014	11.8%
3Q 2014	11.9%
4Q 2014	11.4%

Shopping center vacancy has declined 2.20 percentage points over the past 12 quarters.

The 2015 Lane4 survey includes an inventory of over 65.0 million square feet in shopping centers of over 50,000 square feet. Lane4 segments the Kansas City metropolitan area into 9 geographic submarkets. (The Northwest and Northeast Kansas City submarkets comprise the Northland/North of the River including Platte and Clay Counties.)

Submarket	% Of Total Surveyed	Total Sq.Ft.	Vacancy Rate	Avg. Lease Rate PSF
Northwest Kansas City	6.3%	4,161,866	5.3%	\$13.68
Northeast Kansas City	12.7%	8,308,515	10.3%	\$11.74
Central Kansas City	3.5%	2,283,462	4.0%	\$16.95
South Kansas City	7.5%	4,891,595	11.4%	\$11.35
Southeast Trade Area	8.1%	5,332,542	8.6%	\$11.74
East Jackson County	16.9%	11,090,234	8.5%	\$9.91
North Johnson County	17.9%	11,734,861	11.8%	\$11.93
South Johnson County	20.3%	13,315,169	10.1%	\$16.30
Wyandotte County	6.8%	4,440,405	18.8%	\$12.02
TOTAL	100.0%	65,558,649	10.2%	\$12.85

Citywide retail vacancy decreased to 10.3% in 2011, increased to 11.9% in 2012, decreased to 10.6% in 2013, and decreased again in 2014 to 10.2%. Unfortunately, average rents decreased over the same period from \$13.22 to \$12.88 to \$12.85 per square foot, suggesting owners were exchanging lower rent for higher occupancy.

Block Real Estate Services (BRES), the largest local brokerage serving the Kansas City metropolitan area, also publishes an annual report which covers 8 geographic areas and encompasses 109.8 million square feet. The 2015 market statistics are included in the table on the following page. The Block figures indicate lower metrowide vacancy of 8.5% and lower average rents of \$12.39 per square foot.

RETAIL						
Market	Estimated Inventory	Percent Vacant	Vacancy SF	Net Absorption	Avg. Rental Rate	Planned Development
South Johnson County	18,861,199	8.4%	1,578,744	159,563	\$16.27	283,910
North Johnson County	18,941,121	8.6%	1,632,266	41,981	\$10.66	0
Kansas City, Kansas	10,383,060	9.3%	968,046	120,148	\$11.59	5,000
North of the River	17,368,609	7.9%	1,374,225	(150,667)	\$11.80	41,180
Midtown/Downtown/Plaza	8,747,150	5.0%	455,911	78,564	\$14.24	26,479
East Jackson County	21,447,224	8.4%	1,803,293	128,012	\$10.67	0
Southeast Jackson County	5,217,233	7.1%	370,890	9,308	\$13.21	0
South Kansas City	8,814,497	13.4%	1,178,348	(69,752)	\$11.44	0
TOTAL RETAIL	109,780,093	8.5%	9,361,723	317,157	\$12.39	356,569

Compiled by Block Real Estate Services, LLC with the assistance of CoStar.

Cassidy Turley publishes a 2014 Retail Forecast in which they breakdown retail performance by product type for the Kansas City market:

KANSAS CITY, MO		Current Qtr	Vac %	Historical Vacancy		Qrtly Net Absorption	Last 12 Months		Under Construction	Average Quoted Rate
Shopping Centers	Total GLA	Total SF Vac		Prior Qtr	Prior Yr		Net Absorption	Deliveries		
Community/Neighborhood	43,694,810	4,864,215	11.1%	10.9%	11.6%	(33,149)	247,472	65,100	6,000	\$10.98
Power/Regional Centers	15,801,792	1,587,973	10.0%	10.2%	10.2%	17,774	33,635	10,000	-	\$16.03
Specialty Centers	3,098,312	490,795	15.8%	16.0%	13.9%	5,723	170,565	268,383	4,150	\$15.89
Strip	7,053,345	997,874	14.1%	14.4%	15.0%	19,384	67,146	7,004	-	\$11.98
Malls	8,047,849	197,556	2.5%	2.9%	2.9%	39,334	33,809	-	-	\$24.68
All Shopping Centers	77,696,108	8,138,413	10.5%	10.1%	10.4%	49,066	552,627	350,487	10,150	

The Cassidy survey indicates malls with by far the highest occupancy (97.1%) with the other property types bunched at 10.0% to 15.8%. As would be expected average rents at malls (\$24.68) also exceed the competing property types (\$10.98 to \$16.03). Cassidy reports only 350,487 square feet delivered in 2013 and 10,150 square feet under construction.

CoStar Group in their *The CoStar Retail Report First-Quarter 2015 National Retail Market* provides the following retail market performances figures for the Kansas City area:

Submarket	# Bldgs.	Total GLA	Vacancy	Absorption	Deliveries	UC	Rent
General Retail	6,163	45,848,961	5.3%	499,566	546,382	182,000	\$11.11
Malls	17	12,506,641	9.6%	-23,368	93,000	258,910	\$24.50
Power Centers	23	10,094,026	5.3%	-37,564	8,850	0	\$17.16
Shopping Centers	683	40,005,951	11.4%	388,682	396,672	24,000	\$11.28
Specialty Center	3	1,245,034	12.8%	-4,701	3,000	0	\$12.11
Total Retail Market	8,229	109,697,613	8.1%	822,615	1,047,904	464,910	\$12.28

Per CoStar, mall vacancy in Kansas City (9.6%) is much higher than nationally (5.7%). General retail also is outperforming the more typical shopping center categories. The overall retail vacancy in Kansas City of 8.1% underperforms the CoStar national figure of 6.1% but outperforms the vacancy reported by REIS (11.6%).

Early in the recession much of the vacant retail square footage resided in “big-box spaces.” The high level of big-box vacancy resulted from three factors: 1) repositioning as a result of mergers; 2) relocation; and 3) bankruptcies. The RH Johnson Company reported 34 empty big boxes existed at the beginning of 2007. Many of these boxes previously housed Venture, K-Mart, or Payless Cashways. In spite of big-box vacancy, big-box retailers continued to drive new construction in Kansas City. Home Depot, Wal-Mart, Costco, Dick’s Sporting Goods, Sports Authority, Lowe’s, Kohl’s, Target, Cabela’s, Nebraska Furniture Mart, OfficeMax/Office Depot, Best Buy, and Bass Pro were in the process of establishing or expanding their presence in the area and generated considerable new construction prior to the recession. Macy’s also added new department stores and Von Maur entered the market. Menards is currently entering the market. Now much of this empty space has been demolished or redeveloped.

In order to develop a critical mass, national retailers generally have sought to locate in three or more submarkets—usually the Country Club Plaza, Johnson County, Independence/Blue Springs/Lee’s Summit and/or the Northland (Platte and Clay Counties).

Per Lane4, average rental rates (triple net) in the different submarkets range from a low of \$9.91 in Eastern Jackson County to \$16.95 per square feet in Central Kansas City (dominated by the Country Club Plaza). Block Real Estate Services, LLC provides the following average rents per square foot (net) by retail property type:

Property Type	Average Rents
Class A Specialty & Lifestyle	\$27.60–\$37.70
Anchored Retail Centers	\$18.00–\$28.00
Class B Small Shops	\$10.00–\$18.00
New Big Box	\$9.14–\$16.25
2 nd Generation Big Box	\$5.00–\$9.00

Lane4 provides the following rents by type of center:

Property Type	Avg. Rents
Community Center	\$12.90
Lifestyle Center	\$26.93
Neighborhood Center	\$10.36
Power Center	\$15.41
Strip Center	\$11.88

The retail market in Kansas City experienced decreasing starts between 1996 and 1999. However, significant new development of over 3 million square feet occurred in 2000, 2001, and 2006. The historical trend in new construction is shown in the table on the following page in million of square feet per year:

KC AREA RETAIL STARTS

Year	Starts	Change
2002	2.26	-8.8%
2003	1.35	-40.3%
2004	1.04	-23.0%
2005	2.15	106.7%
2006	3.00	39.5%
2007	0.50	-83.3%
2008	1.20	140.0%
2009	1.15	-4.2%
2010	0.40	-65.2%
2011	0.32	-20.0%
2012	0.77	140.6%
2013	0.56	-27.3%
2014	0.53	-5.4%

Construction starts decreased annually from 2001 to 2004, before increasing in 2005 and 2006. Since 2006, the trend has generally been downward (excluding 2008 and 2012). Even in the increase year of 2012, starts were still only 26% of the 2006 figure and a decrease followed again in 2013 and 2014.

Limited retail construction occurred during the recent recession, mostly fast-food and drugstores. Mardel and Hobby Lobby opened at The Falls at Crackerneck in Independence, Missouri in 2010. Development continues to occur at Plaza at the Speedway in Kansas City, Kansas. 39th & Rainbow is a mixed-use project (30,560 Sq.Ft. of retail, 70,000 Sq.Ft. of office/multi-care, and 83 hotel rooms) in Kansas City, Kansas adjoining the KU Medical Center. After stalling Corbin Park (1.1 million Sq.Ft.), City Center Lenexa (400,000 Sq.Ft.), and Prairiefire at Lionsgate (348,000 Sq.Ft. Phase I) are now moving forward again.

The biggest retailing news in 2014 is the opening of the coveted Swedish furniture retailer IKEA (349,000 square feet, 1,200 parking spaces, including 500 covered stalls) in Merriam, Kansas. The store has a 450-seat cafeteria and IKEA employs about 350, with between 60 and 80 food service jobs. IKEA was built on a site adjoining Interstate 35 in Merriam after demolition of new retail structures that had never been occupied. The first Scheels sporting goods megastore (220,000 square feet and 380 employees) in the metropolitan area will open in 2015 in Overland Park, Kansas at Corbin Park.

After obtaining court approval for the demolition of the long vacant Dillard's space at Metro North Mall, the long-term owner decided to sell the mall to the re-developer of the Blue Ridge Mall and Antioch Malls in April 2015. It is likely the entire mall, except for Macy's, will be demolished. The Gateway in Mission, Kansas that stalled out for an aquarium anchor has now settled on Walmart and Sprouts Farmers Market to anchor that project. However, construction has still not begun on the long awaited project. Additional planning is underway for a large mixed-use development to be located in the southeast quadrant of Interstate 435 and Missouri Highway 152 just west of Liberty. The struggling Metcalf South Mall and 95 West Shopping Center in Johnson County were purchased by Lane4 Property Group of Kansas City with backing from the Kroenke Group, a venture owned by multibillionaire Stan Kroenke from Columbia,

Missouri (husband of the daughter of Sam Walton). The new owners are in the midst of discussions with the city and neighborhood groups about the redevelopment of the overall site containing 62.11 acres situated at the prominent intersection of Metcalf Avenue and 95th Street.

With perhaps an increase of nearly 14 million square feet of new retail space being added between 2000 and 2005, representing a 32% increase in supply (27.1M to 35.8M square feet per RH Johnson), ICSC reports the Kansas City metropolitan area has 39.6 square feet of retail space per person compared with a national average of 23.8 square feet per capita. These figures suggest an oversupply of retail space in Kansas City as evidenced by the citywide vacancy, as reported by CoStar, of 8.1% versus 6.1% for the nation.

Much of the new retail construction has been encouraged by tax increment financing (TIF). Kansas has a weak TIF law but Missouri has been rather generous in subsidizing new projects. Traditional real estate tax abatements pale in comparison to the subsidy that can be generated by capturing retail sales taxes. While some urban redevelopment projects are being supported by TIF, several suburban ventures are also being TIFed. Suburban TIFs are often justified by the poor funding and design standards of the Missouri Highway Department and the often times difficult topography found in the metro area. Kansas has countered Missouri TIF subsidy with the use of STAR Bonds which allow local governments to use future sales, use and transient guest tax revenue to pay current redevelopment costs. STAR Bonds have enabled development of the Kansas Speedway and Village West Tourism District in western Wyandotte County.

South Kansas City Trends

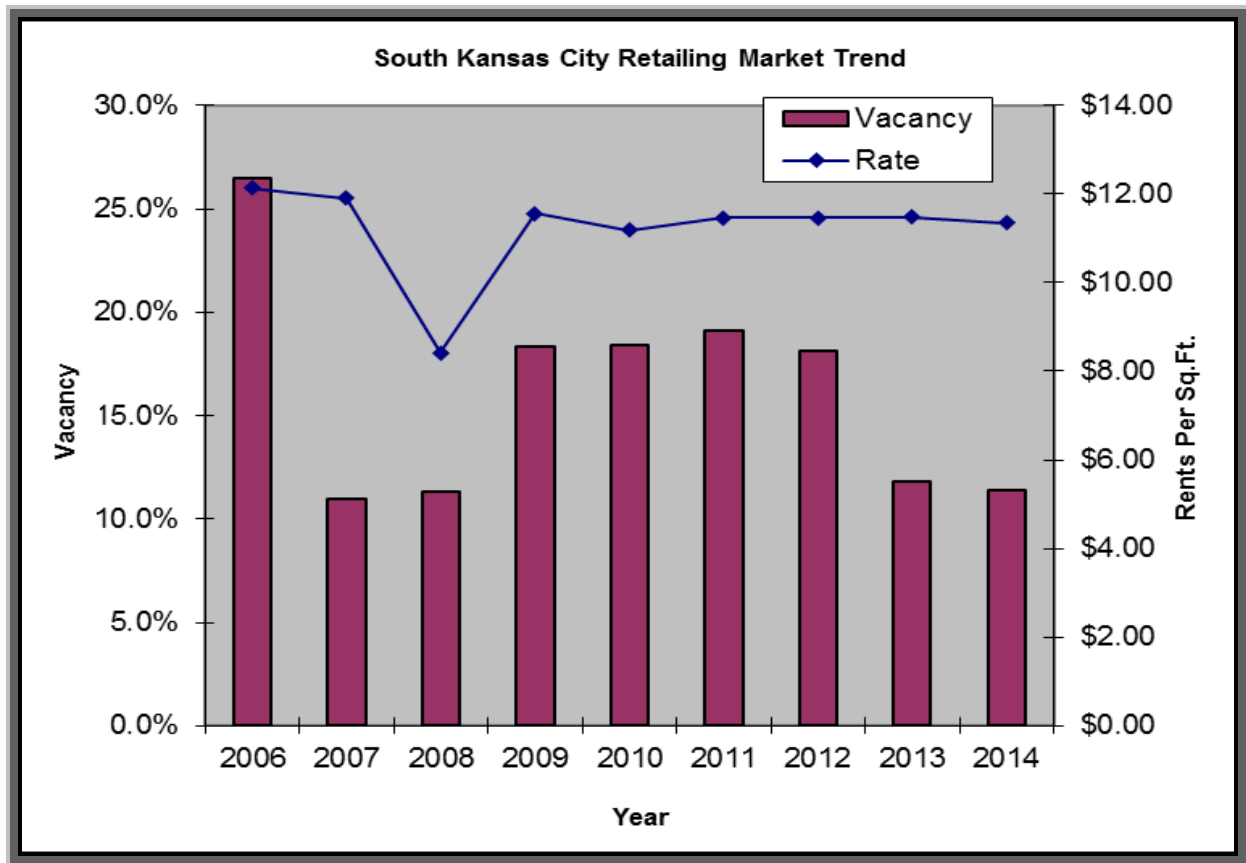
The South Kansas City retail submarket is the 4th largest of the 9 submarkets tracked by Lane4 Property Group and contains 7.5% of the region wide inventory. The South Kansas City submarket is experiencing the 3rd highest vacancy rate (11.4%) trailing only North Johnson County (11.8%) and Wyandotte County (18.8%). Rents in the South Kansas City submarket are next to lowest of the 9 competing submarkets underperformed by only East Jackson County (\$9.91). The table and graph below provide historical trend for occupancy and leasing rates in the South Kansas City submarket.

Year	Sq.Ft.	Vacancy	Rate
2006	3,396,910	26.5%	\$12.13
2007	4,555,129	11.0%	\$11.90
2008	4,199,596	11.3%	\$8.41
2009	5,269,720	18.3%	\$11.56
2010	5,269,720	18.4%	\$11.19
2011	5,273,006	19.1%	\$11.46
2012	5,144,929	18.1%	\$11.47
2013	4,891,595	11.8%	\$11.48
2014	4,891,595	11.4%	\$11.35

The Bannister Mall dominated the South Kansas City submarket from its opening in August 1980 until its demise (closed May 31, 2007) and eventual demolition in 2009. The regional shopping mall contained 1,042,798 square feet on two levels and was anchored by Sears, J.C. Penney, Dillard's and Jones Store. (Montgomery Wards, now part of the proposed expansion

area, was nearby in a stand-alone structure at the adjoining Benjamin Plaza). Up until the early 1990s, Bannister Mall was the highest sales volume mall in the metro area. Bannister’s trade area encompassed all of the east part of the metro area, as well as parts of affluent Johnson County, Kansas. However, the expansion of Oak Park Mall—and many other shopping opportunities—in Johnson County, along with the re-emergence of Independence Center, caused Bannister’s market position to decline. Montgomery Wards left its stand-alone building in 1999. In 2001, the mall lost J.C. Penney as an anchor tenant followed by Dillard’s in 2002, Jones Store in 2005, and Sears in 2006.

SOUTH KANSAS CITY SUBMARKET PERFORMANCE



In late 2001, a positive event was finally announced for the Bannister Mall neighborhood. Bass Pro Shops announced that they had reached an agreement to occupy the Jones Store space at the north end of the mall. Jones Store was to move to the former J.C. Penney space and roundly 100,000 square feet of the mall was to be demolished to create a 1.5-acre pond. The Kansas City Tax Increment Financing Commission recommended approval of an \$81.5-million plan that would include a \$31.5-million bond to be repaid by the extra taxes the revitalized mall was expected to generate. The mall was to be renamed the Three Trails Center because of its location astride historic wagon train routes (Santa Fe, Oregon, California Trails).

Unfortunately, the Jones Store would not cooperate with the realignment and Bass Pro subsequently decided to locate in Independence near the Independence Center shopping mall.

Copaken White & Blitt and Teachers Insurance and Annuity Association of New York owned Bannister Mall in a partnership. Copaken sold out its interest to Teachers who then sold the property to Spigel Properties Inc., a Texas retail redeveloper, in mid-2003. Spigel Properties decided to close the mall on May 31, 2007 when tenancy had dwindled to roundly 50 local tenants. Two years later the mall would be demolished. The vast unkempt parking areas are all that remain of the once vibrant regional shopping mall.

The Benjamin Plaza power center was developed in the early 1990s to the north of Bannister Mall and contained a Wal-Mart Hypermart (closed 2007 and demolished) and Montgomery Wards store (2-story, stand-alone building). Benjamin Plaza eventually contained 980,527 square feet which was 94% of the size of Bannister Mall. The Benjamin Wards was the first outlet in the metro area that was closed as part of the retailer's bankruptcy. Other national retailers at Benjamin Plaza included Circuit City, Hobby Lobby, Best Buy, and Toys R' Us. A significant number of restaurants grew up around Bannister Mall and Benjamin Plaza. Presently, all of these restaurants have closed or been demolished.

The Bannister Mall/Benjamin Plaza site was subsequently proposed as a site for a new stadium for the MLS Kansas City Wizards. The Three Trails TIF Plan was approved by the city in December 2007. The plan included the following:

- 1) Demolition of Bannister Mall and Benjamin Plaza
- 2) Demolition of the two lodging uses on the south side of 87th Street ()
- 3) Demolition of selected buildings on the south side of Bannister Road
- 4) Renovation of a 100-room lodging facility on the north side of 87th Street
- 5) Construction and/or renovation of roundly 1,132,750 Sq.Ft. of mixed-use retail space
- 6) Construction of an approximately 250-room, 250,000-square-foot stadium hotel
- 7) Construction of a 17,000 to 22,000 seat multipurpose facility
- 8) Construction of 12 tournament soccer fields
- 9) Construction of approximately 1,681,500 square feet of office/mixed use office

However, the plan was never completed and the Wizards moved to a new stadium at Village West in Wyandotte County (KCK).

Cerner Corporation resurfaced with new interest in the former Bannister Mall site in 2012 and finalized TIF plans in 2014. Now planned are 4.7 million square feet of mostly office space at an estimated cost of \$4.45 billion. Cerner hopes to house 16,000 employees at the campus within 10 years. The main effect on the nearby retail submarket will be the retail demand generated by the employees that will hopefully bolster retail properties surrounding the campus.

Bannister Square and a K-Mart Plaza are at the southeast quadrant of Bannister Road and I-435. Bannister Square has extensive vacancy that includes a vacant former multiscreen theater. The main retail building (former Children's Palace and Michaels) was sold to a religious use in 2005 for \$48 per square foot. Home Depot opened at the southwest quadrant of the interchange in 2000. A Pace Membership Warehouse was built in 1992 at the northwest quadrant on land not

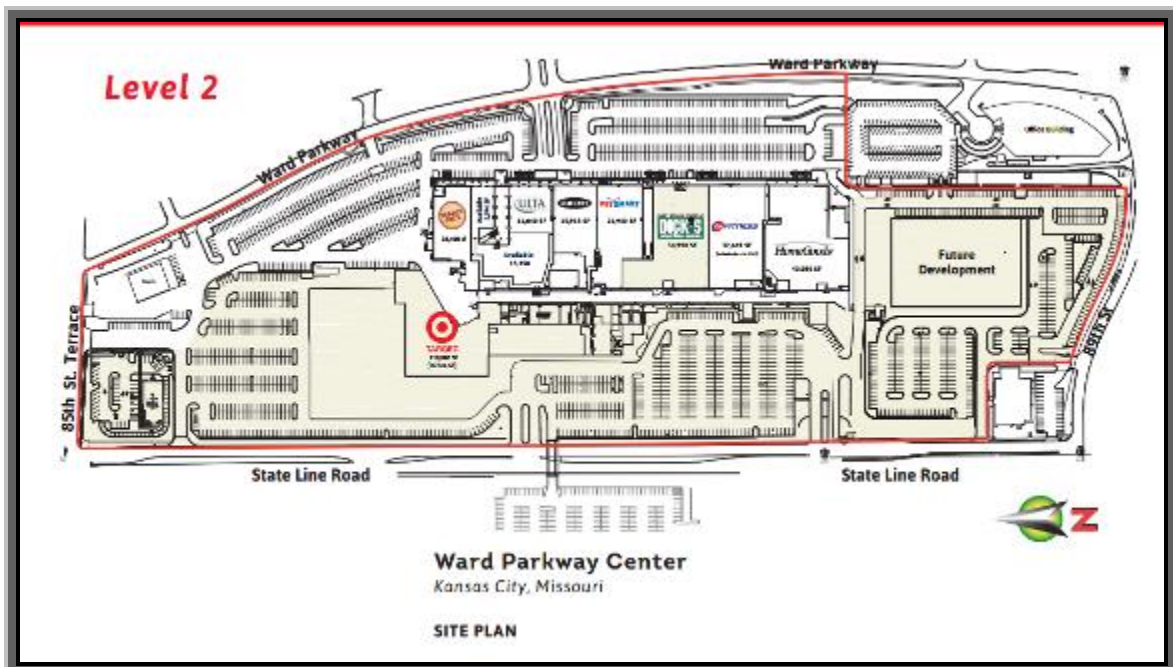
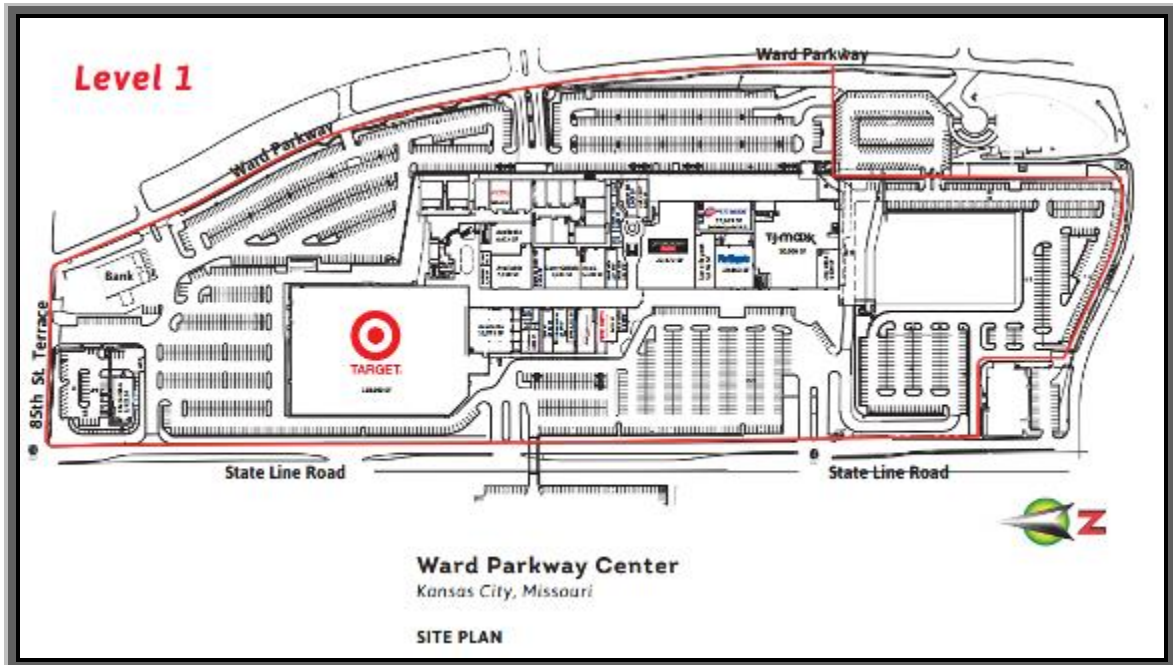
undermined. The Pace was sold to Sam's Club in 1993. Sam's chose not to operate at the Dominion Point location in favor of constructing a new store in Grandview (Truman Corners). In 1994, Home Quarters opened in the former Pace outlet. Home Quarters eventually went bankrupt and Sam's now utilizes the property as storage for their area stores. The former Pace/Home Quarters property is the southeast portion of the former Dominion Point proposed mixed-use development. Dominion Point encompassed approximately 600 acres including the entire Santa Fe TIF Plan Area. Dominion Point remained largely undeveloped because of the serious geological problems resulting from the old limestone mines. The California owners proposed several projects for Dominion Point including a large mixed-use development and a landfill (to be later developed with commercial real estate). All failed to come to fruition because of lack of city approval for the landfill, the difficult terrain and/or the infeasible real estate market. In 1998 and 2000, the majority of the remains of Dominion Point were sold to the Damon Pursell Construction Company who continues to operate the limestone mine reclamation operation.

Presently, Home Depot is the only remaining major retailer (home improvement) existing within the Bannister neighborhood which once supported roundly 3 million square feet of retail space. Wendy's at Bannister Square is the sole remaining restaurant in the neighborhood where 11 restaurants once operated from pad sites while more establishments operated inside Bannister Mall or from in-line space at Benjamin Plaza.

The other dominant retail project in the South Kansas City market is the Ward Parkway Mall. Per its name, Ward Parkway Center is located along the Ward Parkway corridor in South Kansas City, Missouri. State Line is just west and parallel to portions of Ward Parkway. The mall had a gross leasable area of 811,000 square feet when it was built in 1959. Montgomery Wards and J.C. Penney were original anchors and motion picture history was made when America's first multiplex cinema was added to the northeast corner of the mall on July 12, 1963 (Durwood Theatres, a predecessor of today's AMC chain, opened the 700-seat Parkway Twin).

Ward Parkway sold in December 1987 for \$79.4 million. The buyer subsequently spent a reported \$30 to \$35 million renovating the mall in the early 1990s but subsequently sold the property in August 1998 for only \$21 million. Thus, the mall lost nearly 75% of its value in just over 10 years. In May 2003, the mall was purchased (\$33.5 million) by a joint venture of Beachwood, Ohio-based Developers Diversified Realty and New York City-based Coventry Real Estate Advisors.

Within months of the 2003 purchase a fourth renovation of the mall was begun. Dubbed "Rebuilding History" space at the southwest corner of the mall was demolished, opening half of the previously-enclosed structure to the parking area. On the lower level, a Food Court was torn out and replaced with new big box stores, such as PetsMart, Dick's Sporting Goods, Old Navy and Staples. Target was added at the north end of the center. In essence, much of the old, inward-facing mall was reoriented toward the outside. In 2011, the Dillard's anchoring the south end of the mall was demolished. Presently, the center contains 550,000 square feet as shown on the following page:



The current tenant roster at Ward Parkway Center includes the following national retailers:

- | | | | |
|--------------|-----------------|----------------|-----------------------|
| AMC Theatres | 24 Hour Fitness | Target | Bath & Body Works |
| GNC | Foot Locker | TJ Maxx | Dick's Sporting Goods |
| Claire's | rue 21 | Pier 1 Imports | HomeGoods |
| Lane Bryant | Old Navy | Trader Joe's | Petsmart |

The addition of the first Trader Joe's in the Kansas City region was a coup for Ward Parkway Center.

Other retailing in the South Kansas City submarket is generally older neighborhood centers scattered amongst older residential neighborhoods.

Conclusion

U.S. retail sales have increased 5 consecutive years following 2 years of recession-influenced declines. Although retail vacancy increased due to the recession through 2010, vacancy has held steady or decreased in each of the past 11 quarters. Overall, the S&P Retail Index grew 40% over the course of the year, outperforming the broader S&P 500. Market analysts believe the retail market will improve during 2015; however, consensus is lacking as to how widespread and how deep recovery will be. The 2011, 2012, and 2013 holiday seasons were generally viewed as positive but not as strong as some hoped. US retail sales continued to accelerate in the first half of 2014 and remained strong through the beginning of December. Ryan McCullough, real estate economist for CoStar opines, "We have seen real estate investors rotating back into retail due to its higher yields relative to other property types, and also due to improving fundamentals. This has boosted both liquidity and pricing. In dollar terms, the market has never been as liquid as it is today. With fundamentals tightening and lending standards loosening, we expect 2015 will come in even more aggressively. We anticipate that 2015 will be a record year for retail investment."

Kansas City lost a number of retailers between 2008 and 2010 as evidenced by vacancy increasing from 8.3% to 12.2%. At the close of 2014 vacancy had retreated to 8.50%. The poor performance of the South Kansas City (13.4%) and Wyandotte County/KCK (9.3%) submarkets inflated the citywide average as vacancy in the other seven submarkets was much lower (at 5.0% to 8.6%). Unfortunately, average rents have decreased the past four years and are well below the pre-recession high (\$12.85 vs. \$14.20). Shopping center sales activity has increased noticeably and retail experts are looking for stronger improvement through 2015.

South Kansas City has transitioned over the past 20 years from the strongest retail submarket in the metropolitan area to the next to weakest. Vacancy in the submarket (11.4%) is slightly higher than the citywide average (10.2%) and average submarket rents are \$1.50 per square foot (11.7%) lower than the citywide average. Ward Parkway Center will continue to anchor retailing in South Kansas City. Limited new retail development will likely grow up to support the employees housed at the new Cerner office campus at the former Bannister Mall site.

Red Bridge Shopping Center was once a vibrant retailing location in South Kansas City that fell victim to changing retail dynamics, demographics, advancing age (functional obsolescence and physical deterioration), and inattentive ownership. At the present time vacancy of 58.1% (86,555 of 148,911 square feet) exceeds the metropolitan area average by 47.9 percentage points and the submarket (South KCMO) average by 46.7 percentage points. Average rents at Red Bridge Shopping Center are 32% below the metrowide average and 23% below the submarket average.

BLIGHT ANALYSIS

Required Finding

Pursuant to Missouri Revised Statutes Section 100.310 (2), a municipality may not adopt a redevelopment plan without a finding that the redevelopment area on the whole is a blighted area. It is important to note that the finding of blight is based on the area as a whole and not on a parcel by parcel basis, although each parcel must be analyzed individually for blight.

Blight Defined

As presented earlier, blight is defined as follows:

“Blighted area”, an area which, by reason of the predominance of defective or inadequate street layout, insanitary or unsafe conditions, deterioration of site improvements, improper subdivision or obsolete platting, or the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors, retards the provision of housing accommodations or constitutes an economic or social liability or a menace to the public health, safety, morals or welfare in its present condition and use; (RSMo ch. 100.310 (2)).

Chapter 100 of the Missouri Revised Statutes also emphasizes redevelopment of “insanitary areas” and “undeveloped industrial areas” which are defined as follows:

“Insanitary area”, an area in which there is a predominance of buildings and improvements which, by reason of dilapidation, deterioration, age or obsolescence, inadequate provision for ventilation, light, air, sanitation or open spaces, high density of population and overcrowding of buildings, overcrowding of land, or the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors, is conducive to ill health, transmission of disease, infant mortality, juvenile delinquency and crime or constitutes an economic or social liability and is detrimental to the public health, safety, morals or welfare; (RSMo ch. 100.310 (11)).

“Undeveloped industrial area”, any area which, by reason of defective and inadequate street layout or location of physical improvements, obsolescence and inadequate subdivision and platting contains parcels of land not used economically; contains old, decaying, obsolete buildings, plants, stores, shops, shopping centers, office buildings, hotels and motels and parking garages, warehouses, distribution centers, structures; contains buildings, plants, stores, shops, shopping centers, office buildings, hotels and motels and parking garages, multi-family housing facilities, warehouses, distribution centers and structures whose operation is not economically feasible; contains intermittent commercial and industrial structures in a primarily industrial or commercial area; or contains insufficient space for the expansion and efficient use of land for industrial plants and commercial uses amounting to conditions which retard economic or social growth, are economic waste and social liabilities and represent an inability to pay reasonable taxes to the detriment and injury of the public health, safety, morals and welfare. (RSMo ch. 100.310 (18)).

The various components of the definitions serve as the basis for further discussion concerning whether the proposed Red Bridge Shopping Center Redevelopment Area is blighted.

Court Decisions

Several court cases provide additional direction in the consideration of blight:

- The courts have determined that it is not necessary for an area to be what commonly would be considered a “slum” in order to be blighted. Parking Systems, Inc. v. Kansas City Downtown Redevelopment Corporation, 518 S.W.2d 11, 15 (Mo. 1974).
- An otherwise viable use of a property may be considered blighted if it is an economic under utilization of the property. Crestwood Commons Redevelopment Corporation v. 66 Drive-In, Inc., 812 S.W.2d 903, 910 (MO.App.E.D. 1991).
- It is not necessary for every property within an area designated as blighted to conform to the blight definition. A preponderance of blight conditions is adequate to designate an area for redevelopment. Maryland Plaza Redevelopment Corporation v. Greenberg, 594 S.W.2d 284, 288 (MO.App.E.D. 1979).
- The courts have determined that in order to make a finding of blight for a defined redevelopment area, the total square footage of the area is to be considered and not a preponderance of the individual parcels. Allright Properties, Inc. v. Tax Increment Financing Commission of Kansas City, 240 S.W.3d 777 (MO.App.W.D. 2007).

Blighting Factor #1: Defective or Inadequate Street Layout

Factors typically associated with defective or inadequate street layout include the following:

- Poor linkage
- Inability to carry traffic load
- Difficult access
- Poor circulation (vehicular or pedestrian)
- Substandard design or construction
- Inadequate signage

The proposed redevelopment area is located in South Kansas City and has good linkage to other portions of the metropolitan area. Interstate 435 is located just one mile to the north via Holmes Road and provides convenient linkage to the metropolitan area highway system. Additionally, Interstate 49/US Highway 71 is located three miles to the east on Red Bridge Road while Missouri Highway 150 is 4½ miles south via Holmes Road.

The Holmes Road frontage and access is quite functional with three safely spaced entrances and a center turn lane available. However, of the three pad sites along Holmes Road only one has direct

access from Holmes Road (Kicks 66) and the other two uses must utilize the shopping center entrances.

Three entrances to the shopping center are also available from Red Bridge Road. The westerly entrance is located 135 feet east of the Oak Street intersection and is slightly offset from the Red Bridge Professional Building entrance on the north side of Red Bridge Road. This distance and alignment could cause conflicts during heavy traffic periods. The landscaped median in Red Bridge Road is also of somewhat unusual design with the southerly westbound lane terminating at Locust Street. The breaks are somewhat narrow in width and depth and could cause concerns during heavy traffic periods. No dedicated turn lanes are on the eastbound lanes except for a very small one at the easternmost break. The southerly eastbound lane of Red Bridge Road has deteriorating curbing and a drop off of about 2" to 3" from the paving to the gutter (safety concern).

The continuation of Locust Street and E 112th Street through the proposed redevelopment area is also unusual and could create unwanted traffic within the shopping center. Eastbound traffic on Red Bridge Road and traffic on Oak Street wanting to avert the intersection of Holmes Road and Red Bridge Road was viewed cutting through the shopping center along E 112th Street and its extension to access southbound Holmes Road.

The Holmes Road frontage (west side) has continuous pedestrian sidewalk. However, portions of Red Bridge Road does not have pedestrian sidewalks and the existing sidewalks switches between the north side and the south side in a dysfunctional manner.

Blight Factor #1 Conclusion

The above indicates that defective and inadequate street layouts result in several concerns for the proposed redevelopment area. However, it should be noted the shopping center functioned for many decades despite these factors and these factors are not considered determinative factors in the demise of the center. Still, the blighting factors do contribute at some level to the overall dysfunction of the proposed redevelopment area and many of these issues would likely be addressed/resolved in future redevelopment of the plan area. (See blight photographs included on the following pages.)

DEFECTIVE OR INADEQUATE STREET LAYOUT



Closely Spaced & Improperly Offset Roadways & Entrances



Dysfunctional Median Design & Sporadic Pedestrian Sidewalks

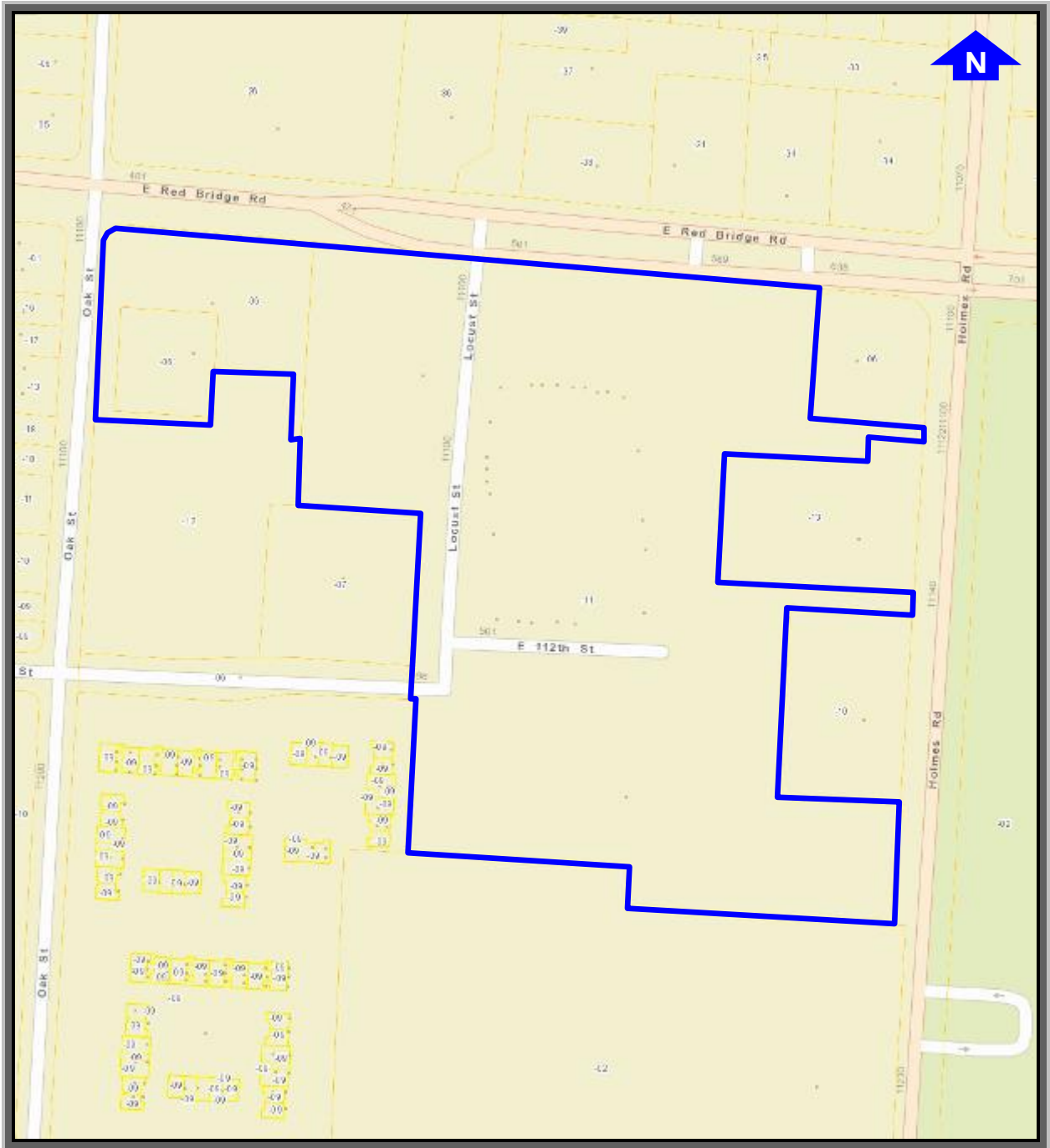


Lane Termination On Westbound Red Bridge Road



Trash & Lane Termination On Westbound Red Bridge Road

DEFECTIVE OR INADEQUATE STREET LAYOUT



Locust Street & E 112th Street Running Through Subject Shopping Center Site



Deteriorating Curbing & Pavement Drop (To Gutter) Along Eastbound Lane of Red Bridge Road



Deteriorating Curbing & Pavement Drop (To Gutter) Along Eastbound Lane of Red Bridge Road



Parallel Parking & Pull-In Parking & Traffic On E 112th Street

Blighting Factor #2: Unsanitary Or Unsafe Conditions

Multiple unsanitary or unsafe conditions are considered to contribute blighting influence within the proposed redevelopment area as outlined below.

Blighting Factor #1

Most of the considerations discussed above under Blighting Factor #1 may result in unsafe conditions for pedestrians, bicyclists or vehicles.

Topography & Drainage

Some low lying areas within the proposed redevelopment area are subject to minor ponding (parking lots, courtyard dock area, SWC of vacant building) which can lead to unsanitary conditions or traffic concerns.

Deteriorated Parking Lots & Sidewalks

The asphalt paving in the entrance drives and parking areas within the proposed redevelopment area is generally in poor to very poor condition which can cause issues for vehicles, bicycles, or pedestrians. The concrete sidewalks and curbing are also generally in poor condition which is a hazard for pedestrians. Exposed rebar exists in deteriorated curbing, sidewalks and parking blocks. A 6½-inch diameter hole leading beneath the center is in the east side sidewalk of the retail strip building. The dock area in the courtyard of the strip building has dock areas which have eroded/corroded through with exposed rebar. One tenants has attempted to cover a larger hole with mats.

Failing Roof/Ceiling Systems

The older roofs on the retail strip building and the vacant building have resulted in leaks and in extreme cases ceiling collapses (vacant building, former theater space, former restaurant space, vacant small shops). Light fixtures or other ceiling fixtures have collapsed with the ceiling in two space. The roofer for the property for over 20 years reports he no longer will allow employees on the northwest corner of the retail strip building roof.

Electrical Systems

Unsafe conditions exist where electrical systems are susceptible to excessive water penetration. Some of the electrical panels are quite dated. The four wires running along the top of the courtyard dock area are so old the cover has eroded off exposing live wires. One tenant indicated when he had Google installed the installers ladder came in contact with the wire and was shocked.

Environmental

Mold was present in spaces with water infiltration and is present in ceilings, walls, and carpeting. Per a dated environmental report, due to the age of the retail strip building asbestos-containing materials was founded in the following materials:

- Floor tile & linoleum
- Ceiling panels (1x1 and 2x2)
- Mudded joint material
- Vibration damper material in the air handler units

- Wall plaster
- Sheetrock/tape/joint compound
- Ceiling texture

The asbestos content ranged from 10% to 97%. The majority of the pipe wrapping viewed had been compromised. Some of the floor tile had also been compromised. The advanced age of the improvements also led to concern in the report over the presence of lead-based paint or PCBs in the transformers. PCBs might also be present in the ballasts of fluorescent fixtures.

Trash/Dumping/Vandalism/Vagrancy

During the inspections trash was spread throughout the shopping center complex, particularly behind the grocery store (which directly adjoins apartments to the west). The retail strip building has numerous trash receptacles, the majority of which were overflowing with trash or had trash placed beside them (indicating inattentive management). A glass recycling center is located in the grocery store parking lot. Trash and broken glass were observed surrounding the receptacle. Recycling centers are helpful uses but should be shielded or placed at the rear of sites (not fronting the grocery store) and the surrounding area maintained. Illegal dumping has occurred (large rock dropped in retail strip building parking lot and flat-bed trailer left in grocery store parking lot), plumbing fixtures and mirrors (bar and restrooms) in a former restaurant space (strip building) have been damaged, smashed, or broken. An air conditioning compressor and a telephone box behind the vacant building have been destroyed (police reportedly caught the individuals stealing copper wiring). Graffiti is present in the courtyard loading area of the retail strip building and on a trailer permanently parked at the grocery dock. Vagrancy has obviously occurred under the docks in the courtyard dock area. A vagrant was observed under the trees on the south side of the grocery store (see photographs below).

Blight Factor #2 Conclusion

The age of the improvements at the proposed redevelopment area, the lack of maintenance, inattentive management, as well as, poor design, have created a number of unsanitary and unsafe conditions considered definite blighting influences for the proposed redevelopment area. (See the blight photographs included on the following pages.)

UNSANITARY OR UNSAFE CONDITIONS



Deep Asphalt Lip On South Side Of Red Bridge Rd.



Entrance Damage & Pothole



Parking Lot Damage



Parking Lot Damage



Parking Lot Pothole



Parking Lot Pothole

UNSANITARY OR UNSAFE CONDITIONS



Exposed Rebar On Parking Block Grocery Store



Exposed Rebar On Sidewalk Curbing



Deteriorated Sidewalk



Hole In Sidewalk



Deteriorated Sidewalk



Rebar And Opening In Dock
Tenant Had Partially Covered With Carpet

UNSANITARY OR UNSAFE CONDITIONS



Trash (Inattentive Management)



Trash (Inattentive Management)



Trash (Inattentive Management)



Trash (Inattentive Management)



Trash (Inattentive Management)



Trash (Inattentive Management)

UNSANITARY OR UNSAFE CONDITIONS



Trash



Trash



Trash



Full Trash Receptacle (Inattentive Management)



Full Trash Receptacle (Inattentive Management)



Full Trash Receptacle (Inattentive Management)

UNSANITARY OR UNSAFE CONDITIONS



Full Trash Receptacle (Inattentive Management)



Full Trash Receptacle (Inattentive Management)



Full Trash Receptacle (Inattentive Management)



Full Trash Receptacle (Inattentive Management)



Illegal Dumping



Glass Recycling – Trash & Broken Glass

UNSANITARY OR UNSAFE CONDITIONS



Abandoned Trailer OR Unsafe Use Of Grocery Parking Lot As Loading Area



Unsecured Opening (6½" Diameter) In Sidewalk



Graffiti



Graffiti



E 112th Street Extension Through Property



Parallel & Front-In Parking & Locust St. Traffic

UNSANITARY OR UNSAFE CONDITIONS



Trash & Standing Water & Mud



Discolored Standing Water



Standing Water



Swale (No Drainage) In SWC Of Vacant Building



Water Infiltration In Vacant Small Shop



Water Infiltration In Vacant Building

UNSANITARY OR UNSAFE CONDITIONS



Vandalism



Vandalism



Vandalism



Vandalism



Vandalism



Vandalism

UNSANITARY OR UNSAFE CONDITIONS



Vandalism



Vandalism



Vagrancy Under Docks In Courtyard Dock Area



Vagrancy Under Docks In Courtyard Dock Area



Vagrancy Under Docks In Courtyard Dock Area



Vagrancy On South Side Of Grocery Store

UNSANITARY OR UNSAFE CONDITIONS



Trip Hazard



Mold In Water Damaged Ceiling Tile



Mold In Water Damaged Ceiling



Mold In Wall & Carpet



Mold In Wall & Carpet



Mold In Wall & Tile

UNSANITARY OR UNSAFE CONDITIONS



Mold In Walls & On Floors



Compromised ACT Flooring (ACMs)



ACMs In Pipe Wrapping



Compromised ACMs In Pipe Wrapping



Compromised ACMs In Pipe Wrapping



Compromised ACMs In Pipe Wrapping

UNSANITARY OR UNSAFE CONDITIONS



Compromised ACMs In Pipe Wrapping



Compromised ACMs In Pipe Wrapping



Compromised ACMs In Pipe Wrapping



Compromised ACMs In Pipe Wrapping



Hot/Exposed Wiring Surrounding Courtyard Dock



Hot/Exposed Wires (Google Workers Shocked)

UNSANITARY OR UNSAFE CONDITIONS



Ceiling Collapse In Vacant Small Shop
(Roofer No Longer Allows Workers On This Roof)



Ceiling Collapse In Vacant Building



Ceiling Collapse In Vacant Restaurant



Ceiling Collapse In Vacant Small Shop



Ceiling Collapse In Vacant Restaurant



Ceiling Collapse In Former Theater

Blighting Factor #3: Deterioration Of Site Improvements

Roadways & Drives & Sidewalks

As previously mentioned the south eastbound lane and curbing of Red Bridge Road are deteriorated. Four of the five entrance drives to the proposed redevelopment area from Red Bridge Road and Holmes Road are in poor condition. Curbing and sidewalks within the entire proposed redevelopment area have sustained considerable deterioration (with exposed rebar in curbs, sidewalks, docks, and parking blocks).

Surface Parking Lots

All of the surface parking lots are in extremely poor to fair condition. Computations suggest over 11 acres of the proposed redevelopment area is covered with asphalt or concrete paving nearly all of which needs to be repaired/replaced.

Parking Lot Lighting

The center appears to have adequate lighting. However, most parking lot light posts (concrete bases and metal boxes covering wiring) have been damaged or are crumbling and all are in need of painting.

Landscaping Planters

The parking lot landscaping planters are encircled by concrete curbing, some of which has deteriorated (or been damaged, some with rebar exposed). The landscaping planters (brick or stone and mortar) along the sidewalk of the retail strip building are generally in poor condition and need repair and tuckpointing (see discussion below on age of the brick).

Landscaping

The prominent corner property has minimal landscaping which is poorly maintained. Of the 47 landscaping planters in the parking lots only 18 (38%) actually contain landscaping. None of the landscaping openings in the sidewalk of the retail strip building have any landscaping (weeds growing).

Building Exteriors

Roofs

The consultant interviewed the owner of the roofing company who has serviced the property for over 20 years. He has done a few patch jobs on the daycare roof (membrane and metal panels) and thinks the roof is original (30 years old). The grocery store roof (modified bitumen above metal panel mansard) is estimated by the roofer to have “3 to 5 years left” although portions in the north end “should have been replaced 10 years ago.”

The roof over the vacant building has three designs and three different materials. The mansard clay tile (fronts) need to be pulled and new felt added and likely decking replaced. Pulling and replacing clay tile is very costly (3 to 4 times the cost of an asphalt-shingle roof) and tiles must be stored during the process. If lichen has grown on the clay tiles, as on the retail strip building roof, pulling and replacing can result in a checkerboard appearance. Above the mansard is a flat roof where the A/C compressors are mounted. The tar pitch and gravel provision is completely deteriorated and needs immediate replacing. The roofer believes some of the roof drains may be undersized. Interior water damage is occurring from this location. The south end of the building is covered by a sloped membrane that is perhaps 15 years old. Some leaks have been repaired but

have caused interior damage. Inattentive management has resulted in clogged gutters and even trees growing in the gutters (see photographs below).

The clay tile mansard on the retail strip building need to be pulled and the felt (4 layers) and deck replaced. (Issues with clay tile pull and replace were discussed above.) The flat roof above is a cold mopped tar and pea gravel cover over gypboard planks on metal batts. Cold tar roofing has reportedly been banned by the government (potential carcinogens and burns from dust or smoke). The northwest corner of the roof is so dangerous the roofing owner will no longer allow employees on the section which has led to water infiltration and ceiling failure in the vacant space below (vacant for over 13 years). The area in the northeast corner (former theaters and coffee shop, bar) is also reportedly completely gone (“horrible” or “hardly patchable”). Because of the design of the roof with the mansard deck extending above the parapet wall, water leakage and damage is prevalent along the front facades (doors and storefronts).

Walls

The current owner reports J.C. Nichols removed brick pavers on the Country Club Plaza and utilized them in the construction of the subject improvements (vacant building and retail strip building). Thus, the structures which are now 54 to 56 years old were built with much older bricks. Both of these buildings evidence considerable cracking and need repair and tuckpointing (if continued in use). Mortar is falling out on the sidewalks in some locations. Some bricks along a ledge on the lower portion of the north wall of the grocery store have fallen off or are loose. Concrete block walls in the courtyard dock, on the west elevation of the grocery store, and on the west elevation of the vacant building have cracks. Wall cracks are along joint lines (evidence of settling) but also through the brick or blocks themselves (shearing).

Canopies

Canopies surrounding all but the daycare evidence considerable damage. Wood supports, beams, and the undersiding has rotted in numerous places.

Building Interiors

Daycare

The interior of the daycare is 30 years old and appears to generally have original finish (fair quality in fair condition).

Vacant Building

The vacant building has damaged ceilings, walls, and carpeting due to water infiltration (with mold present). The fire sprinkler lines are only visible in one area but appear to be corroding.

Retail Strip Building

The retail strip building has 10 tenants whose spaces are generally finished in fair quality. The 12 spaces that are vacant are generally of poor or fair quality in very poor to fair condition. The fair quality finish is dated. Two spaces containing 9,398 square feet essentially have no finish. The 4,840-square-foot space at the northwest corner of the building has been vacant for over 13 years, has a collapsing ceiling, and is filled with water. Three spaces have dated and dysfunctional restaurant finish. The basement area (poor access) was used by a kennel, is poor quality, and smells.

Grocery Store

Due to the age of the grocery store (36 years) a very unappealing smell greets patrons. The majority of the grocery store finish is original (though well maintained). The asphalt-composition tile flooring has cracks or discoloration (though well waxed). Some former ceiling leaks are visible.

Obsolescence & Dysfunctional Design

Site improvements should also be examined for functional obsolescence and dysfunctional design which lead to economic liability. The proposed redevelopment area is underutilized in terms of density with a land-to-building ratio of 4.9 : 1. The parking lots are expansive (11.4 acres) and do not include water detention provisions. Generally, the site plan is functional, except for the rear and south elevations of the retail strip building and the backside location of the vacant building. Modern design standards might draw the improvements closer to the frontage with parking located to the rear. Having Locust Street and E 112th Street run through the property is not functional.

The C-shaped design of the retail strip center results in rear-facing space that is difficult to lease and generates low rents. The parallel parking along the sidewalk fronting the rear elevation of the retail strip building is unusual (aesthetically) and a safety concern. The four-screen theatre space is obsolete and currently vacant. The strip retail building provides a significant amount of small shop space (22 spaces containing 78,197 square feet) for a property lacking a strong anchor presence.

The vacant building was built as a bowling alley and converted to single-tenant, back-office space. Numerous functional issues include the size and single-tenancy, the floor plan (small or misconfigured or extremely large rooms), the interior access (varying grades), limited loading provision, and lack of windows. The functional issues combined with the deteriorating condition of the improvements have resulted in extended vacancy of 3 years.

The grocery store (35,950 square feet) is small by modern standards (55,000 to 95,000 square feet). As shown later in the blight photographs the average size of nine recently built grocery stores in the metropolitan area is 74,382 square feet or 107% larger than the subject Sun Fresh. The subject grocery store also has to compete with a newer Walmart Supercenter at State Line and Missouri Highway 150 (3 miles southwest) containing 200,000 square feet.

The daycare appears to be functional although it might be preferred to have the playground behind the building rather than along Oak Street. The configuration of the parking parcel is very unusual essentially limiting use to parking. The property is not ADA compliant. Due to the advancing age of improvements the building systems (heating, cooling, electrical, plumbing, restrooms, and fire safety) are obsolete.

Conclusion – Blight Factor #3

The building improvements at the proposed redevelopment area evidence extensive levels of deterioration (due to a combination of advanced age, inattentive ownership, poor design). The table on the following page compares building ages to economic life projections in *Marshall Valuation Service* published by CoreLogic:

Structure	Sq.Ft.	Age	Life
Retail Strip	76,586	56	40
Grocery Store	35,950	36	40
Vacant Building	29,740	54	35
Daycare	5,024	30	40

The estimated economic lives indicate the retail strip and vacant building have exceeded their expected life while the grocery store is approaching its end and the daycare has used 75%. The economic life of a use might be extended by updating or careful maintenance. Neither the subject retail strip building nor the vacant building have been carefully maintained. The retail strip building has not been updated (evidenced by 72.7% vacancy) while the vacant building was last updated 15 years ago (and now has been vacant for 3 years). Advancing age also results in functional obsolescence and dysfunctional design.

Much of the site improvements (drives, parking lot, landscaping planters, landscaping, sidewalks and curbing) at the proposed redevelopment area are in poor condition. The signage for the center is minimal and aging. (See the blight photographs included below.)

DETERIORATION OF SITE IMPROVEMENTS – ROADS & DRIVES



Damage At Holmes Road Central Entrance



Damage At Holmes Road Central Entrance



Damage At Holmes Road Central Driveway



Damage At Holmes Road North Entrance



Damage At Red Bridge Road West Entrance



Damage Along E 112th Street

DETERIORATION OF SITE IMPROVEMENTS – PARKING LOTS



Deteriorated SWC Parking Lot



Deteriorated Parking Lot Behind Grocer



Deteriorated NWC Parking Lot



Deteriorated NEC Parking lot



Deteriorated Parking Lot Fronting Vacant Building



Deteriorated Grocery Dock Area

DETERIORATION OF SITE IMPROVEMENTS – PARKING LOTS



Deteriorated North-Central Parking Lot



Deteriorated North-Central Parking Lot



Deteriorated Central Parking Lot



Deteriorated North-Central Parking Lot



Deteriorated Parking Lot Between Vacant & Strip



Deteriorated Central Parking Lot

DETERIORATION OF SITE IMPROVEMENTS – PARKING LOTS



Deteriorated Parking Along Strip Building



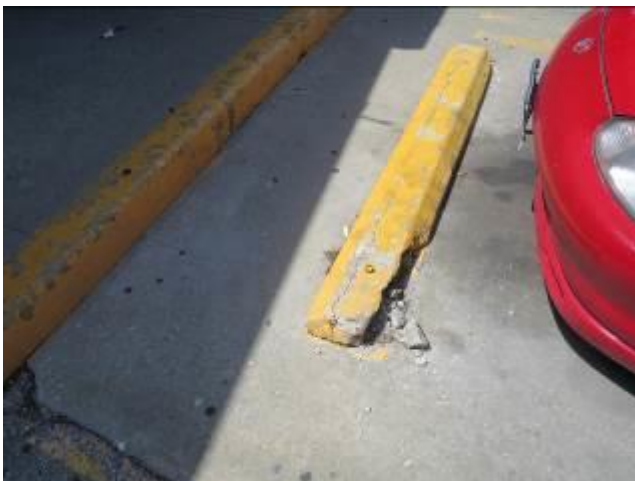
Deteriorated Central Parking Lot



Deteriorated East-Central Parking Lot



Deteriorated Parking Block At Grocer



Deteriorated Parking Block At Grocer



Deteriorated Parking Block At Grocer

DETERIORATION OF SITE IMPROVEMENTS – PARKING LOT LANDSCAPING PLANTERS



Deteriorated Landscape Planter NEC Parking Lot



Deteriorated Landscape Planter SEC Parking Lot



Deteriorated Landscape Planter Central Parking Lot



Deteriorated Landscape Planter SWC Parking Lot

DETERIORATION OF SITE IMPROVEMENTS – CURBING



Deteriorated Curbing North-Central Parking Lot



Deteriorated Curbing North-Central Parking Lot



Deteriorated Curbing Retail Strip Building



Deteriorated Curbing Northwest Parking Lot



Deteriorated Curbing Vacant Building



Deteriorated Curbing Retail Strip Building (W)

DETERIORATION OF SITE IMPROVEMENTS – CURBING



Deteriorated Curbing North-Central Parking Lot



Deteriorated Curbing North-Central Parking Lot



Deteriorated Curbing Retail Strip Building (E)



Deteriorated Curbing Retail Strip Building (E)



Deteriorated Curbing North Side Parking Lot



Deteriorated Curbing Retail Strip Building (NEC)

DETERIORATION OF SITE IMPROVEMENTS – CURBING



Deteriorated Curbing Retail Strip Building (E)



Deteriorated Curbing Retail Strip Building (S)



Deteriorated Curbing Retail Strip Building (E)



Deteriorated Curbing Retail Strip Building (S)



Deteriorated Curbing Retail Strip Building (E)



Deteriorated Curbing Retail Strip Building (E)

DETERIORATION OF SITE IMPROVEMENTS – SIDEWALKS



Deteriorated Sidewalk Retail Strip Building (E)



Deteriorated Sidewalk Daycare



Deteriorated Sidewalk Grocery Store



Deteriorated Sidewalk Retail Strip Building (E)



Deteriorated Sidewalk Retail Strip Building (W)



Deteriorated Sidewalk North-Central Parking Lot

DETERIORATION OF SITE IMPROVEMENTS – SIDEWALKS



Deteriorated Sidewalk North-Central Parking Lot



Deteriorated Sidewalk North-Central Parking Lot



Deteriorated Sidewalk Retail Strip Building (NW)



Deteriorated Vacant Building (E)



Deteriorated Sidewalk Vacant Building (E)



Deteriorated Sidewalk Retail Strip Building (W)

DETERIORATION OF SITE IMPROVEMENTS – SIDEWALKS



Deteriorated Sidewalk Grocery Store (N)



Deteriorated Sidewalk Retail Strip Building (N)



Deteriorated Sidewalk Retail Strip Building (S)



Deteriorated Sidewalk Retail Strip Building (N)



Deteriorated Sidewalk To Courtyard Dock



Deteriorated Sidewalk To Courtyard Dock

DETERIORATION OF SITE IMPROVEMENTS – SIDEWALKS



Deteriorated Sidewalk Retail Strip Building (SE)



Deteriorated Sidewalk Retail Strip Building (S)



Deteriorated Sidewalk Retail Strip Building (N)



Deteriorated Sidewalk Vacant Building (N)



Deteriorated Sidewalk Retail Strip Building (E)



Deteriorated Sidewalk Retail Strip Building (N)

DETERIORATION OF SITE IMPROVEMENTS – PARKING LOT LIGHTING



Deteriorated Parking Lot Lighting (SEC)



Deteriorated Parking Lot Lighting (N)



Deteriorated Parking Lot Lighting (SWC)



Deteriorated Parking Lot Lighting (SEC)



Deteriorated Parking Lot Lighting (N)



Deteriorated Parking Lot Lighting (S)

DETERIORATION OF SITE IMPROVEMENTS – PARKING LOTS



Deteriorated Parking Lot Lighting (SWC)



Deteriorated Parking Lot Lighting (W)



Deteriorated Parking Lot Lighting (East-Central)

DETERIORATION OF SITE IMPROVEMENTS – COURTYARD DOCK AREA



Deteriorating Dock Area



Deteriorating Dock Area



Deteriorating Stairways



Deteriorating Dock & Railing



Deteriorating Asphalt Paving



Rusting Door

DETERIORATION OF SITE IMPROVEMENTS – COURTYARD DOCK AREA



Damaged Stairway



Damaged Dock



Rusted & Crumbling Dock Area



Damaged Asphalt



Deteriorating Dock & Wall Cracks



Deteriorating & Unsightly Dock At Grocery Store

DETERIORATION OF SITE IMPROVEMENTS – LANDSCAPING



62% Of Parking Lot Planters Lack Landscaping



Unightly Landscaping South Of Vacant Bldg.



Trees Growing Into South Elevation Of Grocer



Dying Trees – North Of Grocer



Unightly Landscaping – North Elevation Grocer



Poor Tree Placement (SWC) Of Vacant Building

DETERIORATION OF SITE IMPROVEMENTS – LANDSCAPING



Sidewalk Planter – No Landscaping / Fall Hazard



Sidewalk Planter – No Landscaping / Fall Hazard



Deteriorated Sidewalk Landscaping Planter



Deteriorated Sidewalk Landscaping Planter



Deteriorated Sidewalk Landscaping Planter



Deteriorated Sidewalk Landscaping Planter

DETERIORATION OF SITE IMPROVEMENTS – SIDEWALK LANDSCAPING PLANTERS



Deteriorated Sidewalk Landscaping Planter



Deteriorated Sidewalk Landscaping Planter/Support



Deteriorated Sidewalk Landscaping Planter



Deteriorated Sidewalk Landscaping Planter



Deteriorated Sidewalk Landscaping Planter



Damaged Sidewalk Landscaping Planter

DETERIORATION OF SITE IMPROVEMENTS – SIDEWALK CANOPY



Rotted & Deteriorating Canopy – Retail Strip



Rotted & Deteriorating Canopy – Vacant Building



Rotted & Deteriorating Canopy Retail Strip



Rotted & Deteriorating Canopy – Retail Strip



Rotted & Deteriorating Canopy – Retail Strip



Deteriorating Canopy

DETERIORATION OF SITE IMPROVEMENTS – SIDEWALK CANOPY



Rotted Canopy Support – Retail Strip



Rotted Canopy Beam – Vacant Building



Deteriorating Canopy – Retail Strip



Rotted Canopy Support – Vacant Building



Damaged Signage Area – Retail Strip



Damaged Signage Area – Retail Strip

DETERIORATION OF SITE IMPROVEMENTS – SIDEWALK CANOPY



Deteriorating Canopy Support – Retail Strip



Deteriorating & Rotted Canopy Beam – Retail Strip



Deteriorating Canopy Support – Grocery Store



Rotted Canopy Support – Vacant Building

DETERIORATION OF SITE IMPROVEMENTS – ROOF



Vegetation Growth In Vacant Building Gutter



Lichen Growth On Clay Tile Mansard – Retail Strip



Deteriorating Roof Underlay



Filled Gutters In Vacant Building



Deteriorating Roof Supports & Soffit – Retail Strip



Damaged Roofing Retail Strip Building

DETERIORATION OF SITE IMPROVEMENTS – EXTERIOR WALLS



Wall Cracks – Retail Strip Building



Wall Damage – Retail Strip Building



Wall Damage – Retail Strip Building



Wall Cracks – Retail Strip Building



Wall Damage – Retail Strip Building



Wall Cracks – Retail Strip Building

DETERIORATION OF SITE IMPROVEMENTS – EXTERIOR WALLS



Wall Damage – Vacant Building



Wall Damage – Retail Strip Building



Wall Cracks – Courtyard Dock Area



Wall Shearing – Courtyard Dock Area



Wall Cracks – Vacant Building



Wall Cracks – Vacant Building

DETERIORATION OF SITE IMPROVEMENTS – EXTERIOR WALLS



Wall Damage – Retail Strip Building



Wall Damage – Retail Strip Building



Wall Damage – Retail Strip Building



Wall Damage – Retail Strip Building



Wall Damage – Retail Strip Building



Vegetation On Wall – Vacant Building

DETERIORATION OF SITE IMPROVEMENTS – EXTERIOR WALLS



Wall Deterioration – Retail Strip



Wall Damage – Grocery Store



Wall Damage – Grocery Store



Wall Damage – Grocery Store



Wall Crack – Grocery Store



Wall Deterioration – Retail Building

DETERIORATION OF SITE IMPROVEMENTS – EXTERIOR & INTERIOR DOORS



Rusting Interior Door – Retail Strip



Rusting Exterior Door – Retail Strip



Rusting Exterior Door – Retail Strip



Rusting Interior Door – Retail Strip



Rusting Interior Door – Retail Strip



Rusting Exterior Door – Vacant Building

DETERIORATION OF SITE IMPROVEMENTS – MISCELLANEOUS EXTERIOR



Rusted Door – Grocery Store



Rusted Door – Retail Strip



Deteriorating & Unsightly Dock Area – Grocer



Poor Signage



Small & Partially Obscured Signage



Deteriorating Signage

DETERIORATION OF SITE IMPROVEMENTS – MISCELLANEOUS EXTERIOR



Deteriorating Signage



Broken Window Frame Support – Retail Strip



Nest In Former Speaker Sytem – Retail Strip



Poor Space Signage – Retail Strip



Nest In Former Speaker Sytem – Retail Strip



Deteriorating Grocer Entry Canopy

DETERIORATION OF SITE IMPROVEMENTS – MISCELLANEOUS EXTERIOR



Unsightly Overhead Power Lines



Erosion Around Foundation Of Grocery Store

DETERIORATION OF SITE IMPROVEMENTS – CEILING (ROOF) DAMAGE



Ceiling Damage In Vacant Building



Ceiling Damage In Vacant Building



Ceiling Damage In Vacant Building



Ceiling Damage In Vacant Building



Ceiling Damage In Vacant Building



Ceiling Damage In Vacant Building

DETERIORATION OF SITE IMPROVEMENTS – CEILING (ROOF) DAMAGE



Ceiling Damage In Vacant Building



Ceiling Damage In Vacant Building



Ceiling Damage In Small Shops



Ceiling Damage In Small Shops



Ceiling Damage In Small Shops



Ceiling Damage In Small Shops

DETERIORATION OF SITE IMPROVEMENTS – CEILING (ROOF) DAMAGE



Ceiling Damage In Small Shops



Ceiling Damage In Small Shops



Ceiling Damage In Small Shops



Ceiling Damage In Small Shops



Wet Floors From Leaking Ceiling In Small Shops



Ceiling Damage In Small Shops

DETERIORATION OF SITE IMPROVEMENTS – CEILING (ROOF) DAMAGE



Ceiling Damage In Small Shops



Ceiling Damage In Former Theater



Ceiling Damage In Former Theater



Ceiling Damage In Former Theater



Ceiling Damage In Former Theater



Ceiling Damage In Former Theater

DETERIORATION OF SITE IMPROVEMENTS – CEILING (ROOF) DAMAGE



Ceiling Damage In Small Shops



Ceiling Damage In Small Shops



Ceiling Damage In Small Shops



Ceiling Damage In Small Shops



Ceiling Damage In Small Shops



Ceiling Damage In Grocery

DETERIORATION OF SITE IMPROVEMENTS – INTERIOR WALLS



Wall Damage In Theater



Wall Damage/Mold In Small Shops



Wall Damage In Small Shops



Wall Damage In Small Shops

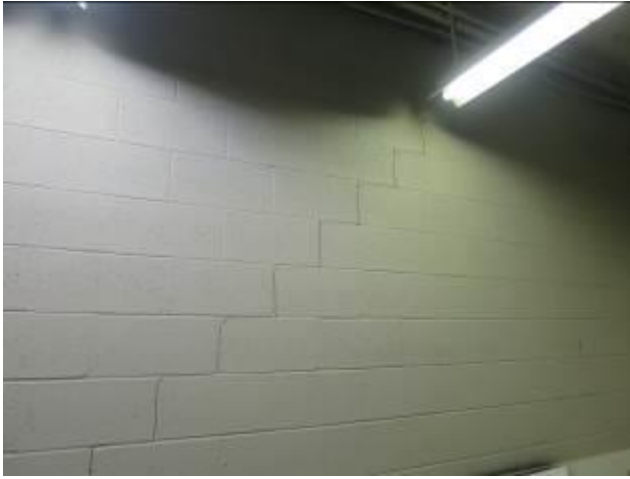


Wall Damage In Small Shops



Wall Damage/Mold In Small Shops

DETERIORATION OF SITE IMPROVEMENTS – INTERIOR WALLS



Wall Crack In Small Shop



Wall Damage/Mold In Vacant Building



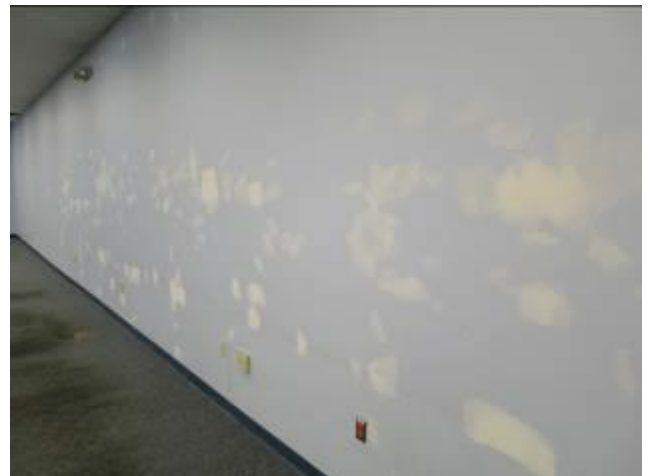
Wall Damage In Small Shops



Wall Damage In Small Shops



Unsightly Walls In Vacant Building



Unsightly Walls In Vacant Building

DETERIORATION OF SITE IMPROVEMENTS – FLOORS



Deteriorated Floors In Small Shops



Deteriorated Floors In Small Shops



Open Pipe Draining Into Small Shop Space



Deteriorated Floors In Small Shops



Deteriorated Floors In Small Shops



Deteriorated Floors In Small Shops

DETERIORATION OF SITE IMPROVEMENTS – FLOORS



Damage & Mold In Carpets In Vacant Building



Damage & Mold In Carpets In Vacant Building



Damage & Mold In Carpets In Vacant Building



Damage & Mold In Carpets In Vacant Building



Damage & Mold In Carpets In Vacant Building



Damage & Mold In Carpets In Vacant Building

DETERIORATION OF SITE IMPROVEMENTS – FLOORS



Damage & Mold In Carpets In Vacant Building



Damage & Mold In Carpets In Vacant Building



Damage & Mold In Carpets In Vacant Building



Damage & Mold In Tile In Vacant Building



Damage & Mold In Carpets In Vacant Building



Damaged/Deteriorating Wall & Floors Small Shop

DETERIORATION OF SITE IMPROVEMENTS – FLOORS



Damaged Floors In Small Shops



Damaged Floors In Small Shops



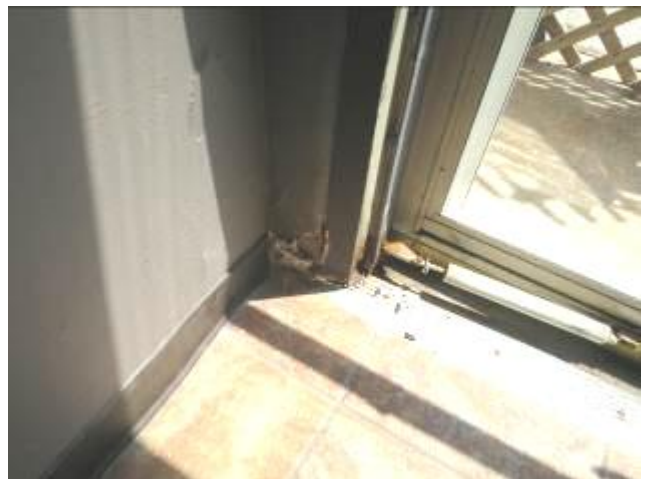
Damaged Floors In Small Shops



Damaged Floors In Small Shops



Damage & Mold In Floors Small Shops



Damaged Floor & Wall In Small Shops

DETERIORATION OF SITE IMPROVEMENTS – FLOORS



Deteriorating Tile In Grocery



Deteriorating Tile In Grocery



Deteriorating Tile In Grocery



Deteriorating Tile In Grocery



Damage Tile In Grocery



Damage Tile In Grocery

DETERIORATION OF SITE IMPROVEMENTS – DYSFUNCTIONAL DESIGN



Unshielded View Of Rear Of Drugstore



Unsightly Overhead Power Lines On Red Bridge Rd.



Extended Vacancy Of Three Years



Large Open Space With No Partitions/Windows



Unsightly Finish – Vacant Building



Poor Access To Air Handling Units (Vacant Bldg.)

DETERIORATION OF SITE IMPROVEMENTS – DYSFUNCTIONAL DESIGN



Varied Floor Levels In Vacant Building



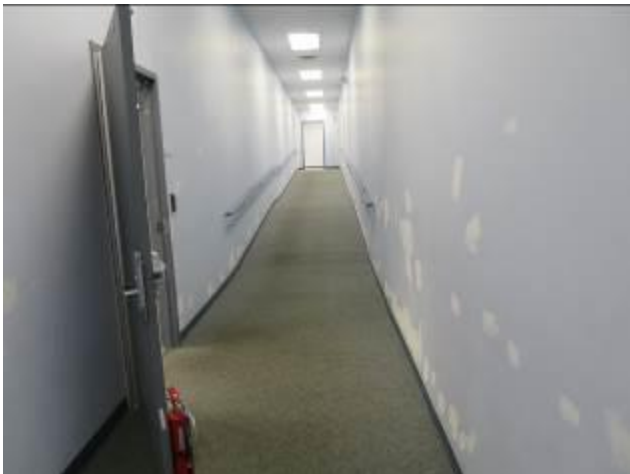
Varied Floor Levels In Vacant Building



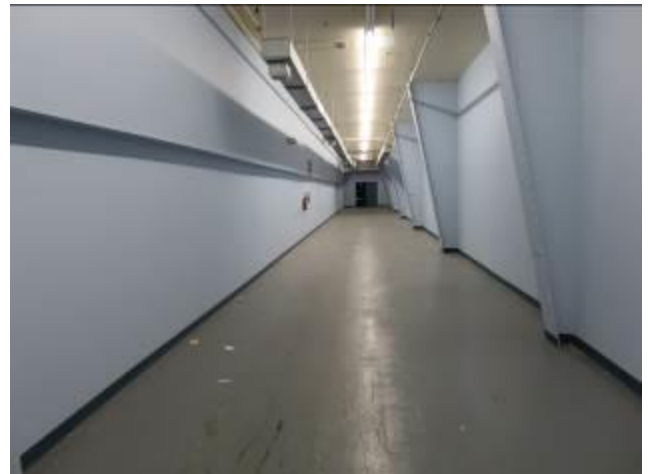
Ramp With No Railings – Vacant Building



Step Inside Door In Vacant Building



Varied Floor Levels In Vacant Building



Elongated Room In Vacant Building

DETERIORATION OF SITE IMPROVEMENTS – DYSFUNCTION/OBSOLESCENCE



Curving Floor In Office In Vacant Building



Deteriorating Fire Sprinklers – Vacant Building



Deteriorating Fire Sprinklers – Vacant Building



Extended Vacancy Of Over 13 Years



Aging HVAC – Vacant Building



Obsolete Wiring In Small Shops

DETERIORATION OF SITE IMPROVEMENTS – DYSFUNCTION/OBSOLESCENCE



Bland & Tired Restaurant Finish



Wet Space – Small Shops



Obsolete Small Theaters



Obsolete Small Theaters



Narrow Hallway – Small Shops



Dysfunctional Internal Access – Small Shops

DETERIORATION OF SITE IMPROVEMENTS – DYSFUNCTION/OBSOLESCENCE



The Sun Fresh grocery store contains 35,950 square feet, far below modern standards. The nine recent grocery store openings summarized in the table below range from 53,291 to 86,267 square feet or 48% to 140% larger than the subject Sun Fresh grocery store. The average size of the nine grocery stores (74,382 square feet) is 107% larger than the subject Sun Fresh.

Grocer	Location	Built	Sq.Ft.
Price Chopper	Platte City	2008	53,291
Price Chopper	Liberty	2008	76,138
Hy-Vee	Blue Springs	2010	84,000
Hy-Vee	Liberty	2011	86,267
Hy-Vee	Platte County	2011	70,357
Price Chopper	Lee's Summit	2011	65,000
Price Chopper	Grandview	2015	75,000
Price Chopper	Blue Springs	Planned	85,000
AVERAGE			74,382

The subject grocery store also has to compete with a newer Walmart Supercenter at State Line Missouri Highway 150 (3 miles southwest) containing 200,000 square feet.

DETERIORATION OF SITE IMPROVEMENTS – INTERIOR



Aging Rusted Piping – Small Shops



Obsolete Wiring – Small Shops



Wiring Hanging Below Door Opening (Small Shops)



Long Thin Space & Dated Finish – Small Shops



Dated Telecommunications



Dysfunctional Parking Lot/Street Design

DETERIORATION OF SITE IMPROVEMENTS – INTERIOR



Stool Removed



Lack Of Interior Ceiling Finish



Lack Of Interior Ceiling Finish



Obsolete A/C Compressors



Close (Unshielded) Proximity Of Adjoining Apartment Units To The Unsightly Rear Of Grocer



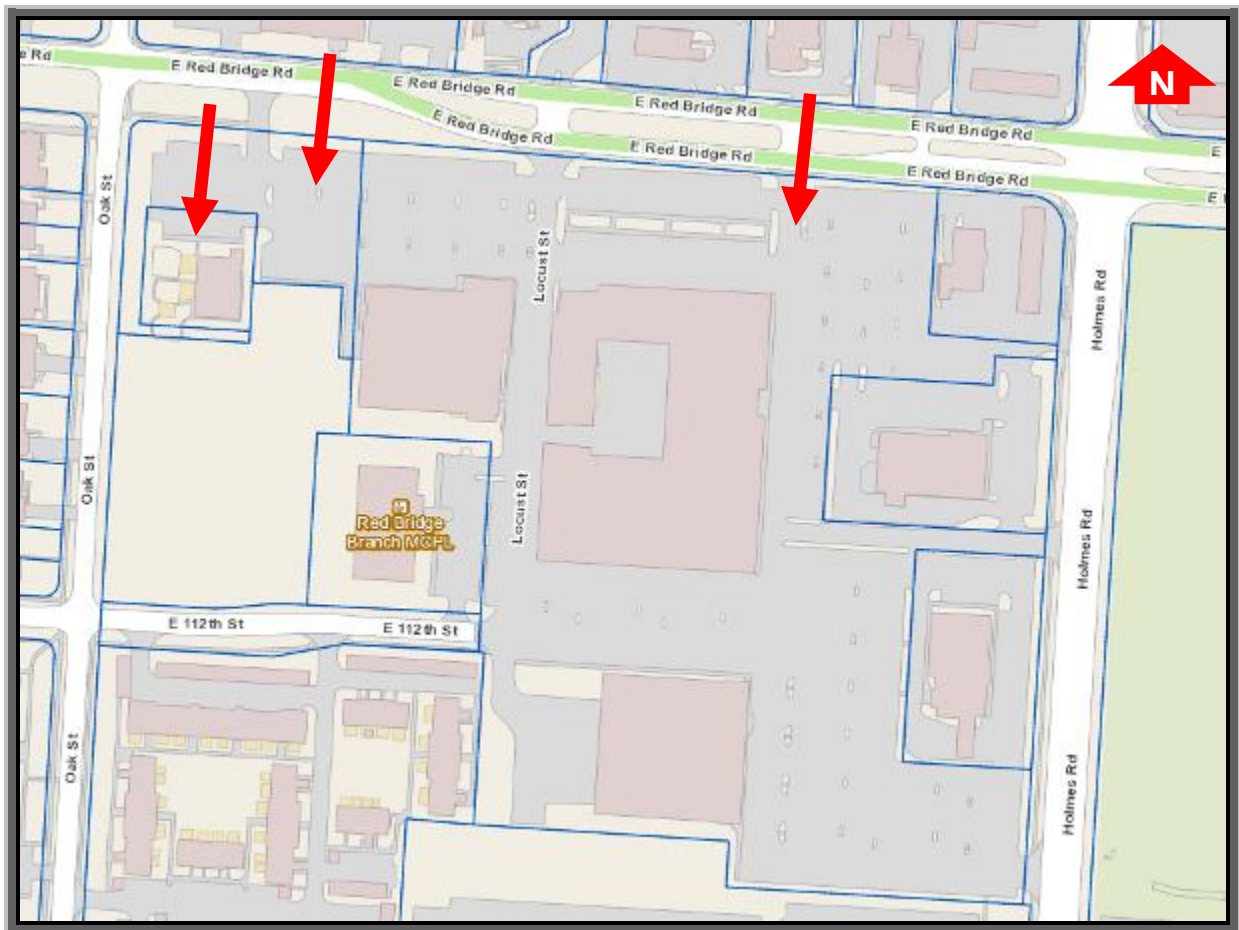
Non-Working Sink & Urinal

Blighting Factor #4: Improper Subdivision Or Obsolete Platting

This component of blight generally applies to urban settings where fractional interests prohibit development of modern functional structures (e.g., numerous 25-foot wide city lots must be combined to create a footprint for an office building). Additionally, parcels (ownerships) of unusual configuration (elongated, triangular) or lacking access or frontage are negative influences.

The proposed redevelopment area includes three tax parcels in single ownership of unusual configuration. The large parcel (vacant building, retail strip building, and grocery store) is unusually configured due to sell off of pad sites. Access is still available though from Red Bridge Road and Holmes Road. The parking lot parcel is of unusual design seemingly platted to cut off direct access to the daycare or to allow for individual assessment of the daycare. It is unlikely the configuration and location would allow for use other than parking. The daycare site lacks frontage and relies on the parking lot parcel for access. For taxation purposes individual parcels for the vacant building and grocery store might be added. If the proposed redevelopment area is eventually completely redeveloped, re-platting will likely occur.

RED BRIDGE SHOPPING CENTER PLATTING



Improper subdivision/platting is considered a future redevelopment issue that contributes to the cost of full redevelopment of the proposed redevelopment area.

Blighting Factor #5: Endangerment By Fire Or Other Causes

Numerous fire hydrants are spread throughout the proposed redevelopment area. The daycare does not have fire sprinklers. The vacant building has fire sprinklers, which (where visible) are corroding (54 years old). Only the southeast corner of the retail strip building is protected by fire sprinklers (22,094 of 78,197 square feet or 28%) that are now 56 years old. The grocery store is protected with fire sprinklers (36 years old).

Multiple issues discussed previously result in endangerment including vandalism, vagrancy, obsolete and exposed electrical lines, standing water, deteriorating drives, parking lots and sidewalks, dysfunctional building level transitions, deteriorating exterior walls and leaking roofs causing ceiling collapses, black mold, compromised ACMs, LBP, and broken glass.

These issues combine to create clear blighting influence that could become even more of an issue in the future if oversight and maintenance continues to lag.

Blight Factors Conclusion

The predominance of blighting factors within the proposed redevelopment area is established by the presence of all five blight factors described by Section 100.310 (2) RSMo. and the depth of blight resulting from certain of these factors. The tables below provide review of the blighting factors by tax parcel and use. Blighting influences may range from minor (deteriorating landscape planters and parking lot lighting) to excessive (deteriorated drives, parking lots, curbing, sidewalks, roofs, exterior walls, docks, interior finish, water infiltration, ACMs, and mold). All portions of the proposed redevelopment area suffer from modest to extensive blighting influence from each of the five factors provided by the statutory definition.

Tax Parcel Number	Use	Streets	Safety	Site	Plat	Endanger	Predominance
		#1	#2	#3	#4	#5	
65-240-02-06-02-4-00-000	Daycare	N	N	N	Y	N	N
65-240-02-06-02-5-00-000	Parking	N	N	Y	Y	N	N
65-240-02-11-00-0-00-000	Retailing	Y	Y	Y	N	Y	Y
Blight Extent		Modest	Moderate	Extensive	Modest	Modest	Extensive

Tax Parcel Number	Use	Predominance	Land SF	Imp. SF
65-240-02-06-02-4-00-000	Daycare	N	23,925	5,024
65-240-02-06-02-5-00-000	Parking	N	58,032	0
65-240-02-11-00-0-00-000	Retailing	Y	643,597	143,887
Total Sq.Ft. Land or Improvements			725,555	148,911
Blighted Sq.Ft. Land or Improvements			643,597	143,887
Blight Percentage			Extensive 89%	97%

All told, based on land area 89% of the proposed redevelopment area suffers from extensive blight while 97% of the improvement area suffers from extensive blight. If the grocery store is separated from the retailing parcel and judged proceeding towards blight but not yet blighted (similar to Conservation Area in RSMo Chapter 99), the percentage of blight on the basis of improvement area decreased to 72%, a figure still indicating a clear predominance of blight. It should be emphasized that although the daycare and the grocery store were not blighted of

themselves the decline of the retail strip building and vacant building (80.2% vacancy amongst 107,937 square feet) and shopping center site improvements (parking, landscaping, lighting, vandalism, vagrancy) have had a negative effect on their performance. If functioning at peak levels the proposed redevelopment area would generate considerable more employment. The increased traffic generated by a functional use would generate additional traffic for the operating businesses (on-site and off-site).

Therefore, a clear predominance of blighting influence exists within the proposed redevelopment area and examination follows as to whether these five blighting factors result in the three blighting conditions defined by the statute.

Blighting Condition #1: Hindrance to Housing Accommodation

The intent of this component of the blight definition appears to deal with the natural process of growth and development of a neighborhood. Red Bridge Shopping Center has an important in the history of the Red Bridge neighborhood. The city indicates the now failing and deteriorating shopping center is now of considerable concern to the adjoining neighborhood associations. Considering the preference currently for mixed-use designs, it is likely that if the proposed redevelopment area were completely redeveloped today some component of housing would be likely (multifamily residential over retail or office).

Considering all factors above, the proposed redevelopment area in its present condition and use is a hindrance to the vitality and continued growth and development of the neighborhood in which it resides and so heavily influences.

Blighting Condition #2: Economic Or Social Liabilities

Improper/Unrealized Assessment

Previously in the report it was shown that the increase in 2013 in assessment and taxation of the proposed redevelopment area was actually a misnomer as the Red Bridge Shopping Center has noticeably been in decline. Attentive ownership would have appealed the assessment. The potential purchasers of the proposed redevelopment area have already requested an informal hearing on the 2015 assessment. Even though the assessment has not been challenged by the current inattentive ownership, the proposed redevelopment area could be generating much higher assessment and taxation if improved and utilized at the highest and best use of this prominent corner at Red Bridge and Holmes Roads.

Improper/Unrealized Taxation

Following the discussion above, if the assessment reflected the blight at the proposed redevelopment area, taxes would not be increasing. In the present blighted condition the proposed redevelopment area is not generating nearly the levels of sales, real estate, personal property, utility, and employment-tax that should be generated from a 16.66-acre tract of prime commercial land. Therefore, the property is not contributing its appropriate share of taxation to offset municipal, county, state, and federal services.

Economic Underutilization / Excessive & Extended Vacancy

The Missouri Supreme Court has determined that “the concept of urban redevelopment has gone far beyond ‘slum clearance’ and the concept of economic underutilization is a valid one.” If

vacant and available to be put to the highest and best use, the center would be designed much differently today. The dysfunctional design combined with the deteriorating condition and lack of attentive ownership of the proposed redevelopment area has resulted in overall vacancy of 58.1% in a submarket where Lane4 surveys indicate an average of 11.4%. The vacant building and the retail strip building contain 107,937 square feet of space that is now 80.2% vacant. The vacant building has been unoccupied for 3 years and the northwest corner of the retail strip building has been vacant for over 13 years. Here again, the dysfunctional design, deteriorating condition, and inattentive ownership of the proposed redevelopment area is presently a poor reflection of the highest and best use of this well located commercial tract and a clear economic underutilization.

Social Liabilities

Multiple issues discussed previously result in endangerment including:

- Vandalism
- Vagrancy
- Graffiti
- Trash
- Illegal dumping
- Standing water
- Deteriorating drives and parking lots
- Deteriorating curbs and sidewalks
- Deteriorating exterior walls
- Deteriorating roofs and ceiling collapses
- Deteriorating docks and stairways
- Lack of comprehensive fire sprinklers
- Environmental issues (ACMs, mold, lead-based paint, potential PCBs)
- Exposed electrical wiring & obsolete wiring
- Dysfunctional building level transitions (lack of ADA compliance)

The varied and extensive blighting factors clearly result in blighting conditions of marked economic and social liability.

Blighting Condition #3: Menace To The Public Health, Safety, Morals, Or Welfare

Here again, the varied and extensive blighting factors and conditions discussed above contribute menace to the public health (mold, ACMs, LBP, potential PCBs), safety (standing water, failing walls, ceilings, and roofs, exposed and obsolete electrical lines), morals (illegal dumping, vandalism, vagrancy, graffiti), or welfare (excessive vacancy, unrealized assessment and taxation, and economic underutilization).

Study Conclusion

All five components of the blight definition found in Chapters 100 of the Missouri Revised Statutes are present in the proposed Red Bridge Shopping Center redevelopment area. The blighting influences include:

- Defective or inadequate street layout (unusual lane terminations, lack of comprehensive sidewalks, offset or tight curbcuts, paving drop-offs, public streets extending through the shopping center)
- Unsanitary or unsafe conditions (unsafe and deteriorating drives, parking lots, curbs and sidewalks, roofs and ceilings, water infiltration leading to collapses and mold, compromised ACMs, potential lead-based paint and PCBs, exposed and obsolete electrical lines, vandalism, vagrancy, standing water)
- Aging and deteriorating site improvements (deteriorating drives, curbs, sidewalks, landscaping planters, landscaping, loading docks and stairs, canopies, exterior walls, roofs, dated or damaged interior finish, obsolete building systems)
- Improper subdivision or obsolete platting (some dysfunctional configurations)
- Conditions which endanger life or property by fire or other causes (lack of comprehensive fire sprinklers, aging fire sprinklers, exposed and obsolete electrical lines, combination of all of the above mentioned conditions)

A predominance of these factors leads to three clearly observable blighting conditions:

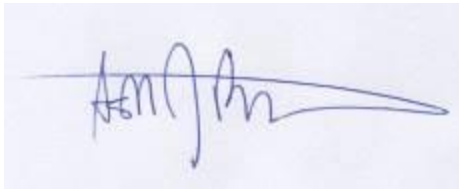
- Retarded growth and development of the area (lack of new development, low density, and economic underutilization)
- Economic liabilities (underutilization, improper and unrealized assessment and taxation (including real estate, personal property, sales, e-tax, and utility), and excessive and extended vacancy within the proposed redevelopment area and the surrounding neighborhood)
- Social liabilities (vandalism, vagrancy, graffiti, trash, illegal dumping, standing water, deteriorating drives and parking lots, deteriorating curbs and sidewalks, deteriorating exterior walls, roofs and ceilings (collapses), deteriorating docks and stairs, lack of comprehensive fire sprinklers, environmental issues (ACMs, mold, potential LBP and PCBs), exposed electrical wiring and obsolete wiring, dysfunctional building level transitions (lack of ADA compliance))

Therefore, the consultant has determined the proposed Red Bridge Shopping Center Redevelopment Area located in Kansas City, Missouri, as of June 15, 2015, qualifies as a “blighted area” according to the definition provided in Missouri Revised Statutes Section 100.310 (2) and that the major tax parcel (vacant building, retail strip building, and grocery store) contained in the proposed redevelopment area is blighted reflecting 89% of the land area (643,597 of 725,555 Sq.Ft.) within the proposed redevelopment area and 97% of the

improvement area (143,887 of 148,911 Sq.Ft.). If the grocery store is accounted for separately, still a predominant 72% of the improvement area is judged blighted. Parcels and uses not directly blighted (daycare and grocery containing 40,974 square feet) suffer the influence of the deteriorating vacant building and retail strip building (107,937 square feet) and site improvements (parking, landscaping, lighting, inattentive ownership/management).

It has been a distinct pleasure to serve you in this assignment.

Sincerely,
BELKE APPRAISAL & CONSULTING SERVICES, INC.

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Scott J. Belke, MAI

President

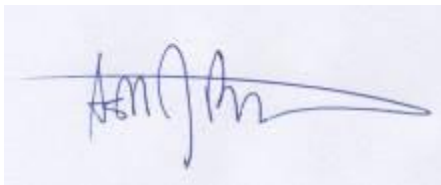
Missouri State Certified General Real Estate Appraiser (Certificate No. RA 001868)

Kansas Certified General Real Property Appraiser (Certificate No. G-1214)

CERTIFICATE

I certify that, to the best of my knowledge and belief...

- 1) The statements of fact contained in this report are true and correct.
- 2) The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, unbiased professional analyses, opinions, and conclusions.
- 3) I have no present or prospective interest in the property that is the subject of this study, and I have no personal interest with respect to the parties involved.
- 4) I have no bias with respect to the property that is the subject of this study or to the parties involved with this assignment.
- 5) My compensation is not contingent on an action or event resulting from the analyses, opinions, or conclusions in, or the use of, this study.
- 6) My analyses, opinions, and conclusions were developed, and this study has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice and with the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute.
- 7) I certify that the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- 8) As of the date of this report, Scott J. Belke, MAI has completed the requirements of the continuing education program of The Appraisal Institute.
- 9) Scott J. Belke, MAI made several personal inspections of the proposed redevelopment area that is the subject of this report during May and June 2015. The effective date of this study is June 15, 2015.
- 10) No one provided significant professional assistance to the person signing this report.
- 11) I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

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Scott J. Belke, MAI

President

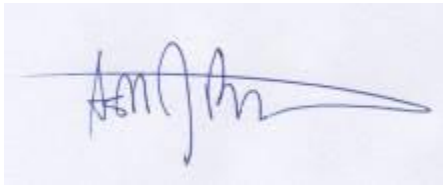
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GENERAL ASSUMPTIONS & LIMITING CONDITIONS

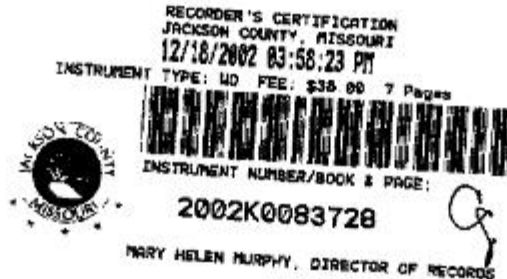
This study is subject to the following assumptions and limiting conditions:

- 1) The information furnished by others is believed to be reliable; however, no warranty is given for its accuracy.
- 2) Possession of this study or a copy thereof, does not imply the right of publication or use for any purpose by any other than the addressee, without the written consent of the consultant.
- 3) The consultant is not required to give testimony or attendance in court by reason of this study, unless prior agreements have been made in writing.
- 4) Neither all nor any part of the contents of this study, especially any conclusions as to blight, the identity of the consultant or the firm with which he is connected, or any reference to the Appraisal Institute or to the MAI designation shall be disseminated to the public through advertising media, public relations media, news media, sales media or any other public means of communication without the prior written consent and approval of the undersigned.

A handwritten signature in blue ink, appearing to read "S. J. Belke", is written over a horizontal line. The signature is stylized and extends to the right with a long, thin flourish.

Scott J. Belke, MAI

ADDENDA



SPECIAL WARRANTY DEED

THIS INDENTURE, made on the 18th day of December, 2002, by and between HIGHWOODS REALTY LIMITED PARTNERSHIP, a North Carolina limited partnership ("Grantor"), and RED BRIDGE REAL ESTATE, LLC, an Iowa limited liability company ("Grantee"). The mailing address of the Grantee is 1444 N. W. 124th Court, Des Moines, IA 50325, Attention: Robin Seiser.

WITNESSETH, that Grantor, for and in consideration of the sum of TEN AND NO/100 DOLLARS (\$10.00) and other good and valuable consideration to it duly paid, the receipt and sufficiency of which are hereby acknowledged, by these presents does sell and convey to the Grantee, all of the following described real property situated in the County of Jackson and State of Missouri, to-wit:

See Exhibit A attached hereto and incorporated herein by reference. (Pages 3 & 4)

Subject only to: (i) rights of the public in and to parts thereof in streets, roads or alleys; and (ii) other matters described on Exhibit B attached hereto and incorporated herein by reference (collectively the "Permitted Exceptions").

TO HAVE AND TO HOLD THE SAME, together with all and singular the tenements, hereditaments and appurtenances thereunto belonging or in any wise appertaining, forever. And the Grantor, for itself and its successors, does hereby covenant, promise and agree that at the delivery hereof said interest in said premises is free, clear, discharged and unencumbered of and from all former and other grants, titles, charges, estates, judgments, taxes, assessments and encumbrances, of what nature and kind soever, by, through, or under said Grantor, except the Permitted Exceptions, and that it will warrant and forever defend said interest unto the Grantee, its successors and assigns, against Grantor, its successors, and all and every person or persons whomsoever lawfully claiming or to claim the same by, through or under the Grantor, except as provided above.

CHICAGO TITLE INSURANCE COMPANY
 ATTN: ROBERT L. PATTERSON
 106 W. 11th STREET, 18th FLOOR
 KANSAS CITY, MISSOURI 64108
 816-421-5040
 2002 9592

KC-1002040-1

IN WITNESS WHEREOF, the Grantor has caused these presents to be signed the day and year first above written.

HIGHWOODS REALTY LIMITED PARTNERSHIP, a North Carolina limited partnership

By: Highwoods Properties, Inc., a Maryland corporation General Partner

By: [Signature] Barrett Brady, Sr. Vice President

STATE OF MISSOURI)) ss. COUNTY OF JACKSON)

BE IT REMEMBERED, that on this 17th day of December, 2002, before me, the undersigned, a Notary Public in and for the County and State aforesaid, came Barrett Brady, Senior Vice President of Highwoods Properties, Inc., General Partner of Highwoods Realty Limited Partnership who is personally known to me to be such officer, and who is personally known to me to be the same person who executed, as such officer, the within instrument on behalf of such corporation, and such person duly acknowledged the execution of the same to be the act and deed of such corporation acting as general partner of said limited partnership.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year last above written.

[Signature] Irene M. Schilling Notary Public

Irene M. Schilling Print or Type Name

My commission expires:

IRENE M. SCHILLING Notary Public - Notary Seal STATE OF MISSOURI Jackson County My Commission Expires: 5/17/04

EXHIBIT ALegal Description**PARCEL 1** *Main Parcel With WS*

All of TRACT 1, REPLAT OF PART OF LOT 1, BLOCK 1, RED BRIDGE BUSINESS CENTER, a subdivision in Kansas City, Jackson County, Missouri, according to the recorded plat thereof, recorded February 13, 2001, as Document No. 2001K-0007935, in Plat Book K-40 at Page 30, described as follows:

Beginning at the Southeast corner of said Tract 1, being also a point on the West right-of-way line of Holmes Road, as now established; thence the following courses and distances along the South and West lines of said Tract 1; thence North 86 degrees 33 minutes 50 seconds West (N 86 degrees 33 minutes 40 seconds W, Plat), 410.19 feet (410.35 plat); thence North 3 degrees 25 minutes 29 seconds East (N 3 degrees 25 minutes 39 seconds E, Plat), 62.67 feet; thence North 86 degrees 31 minutes 14 seconds West (N 86 degrees 31 minutes 04 seconds W, Plat), 345.80 feet to a point on the East line of Lot 2, Block 1, COACH HOUSE, a subdivision in said City, County and State, according to the recorded plat thereof; thence North 3 degrees 20 minutes 40 seconds East (N 3 degrees 20 minutes 50 seconds E, Plat), along the East line of Lot 2, Block 1, of said COACH HOUSE, and along the West line of Lot 1, Block 1, of said RED BRIDGE BUSINESS CENTER, a distance of 236.00 feet to the Northeast corner of said Lot 2; thence North 86 degrees 39 minutes 20 seconds West (N 86 degrees 39 minutes 10 seconds W, Plat), along the North line of said Lot 2 and along the South line of said Lot 1, a distance of 9.29 feet; thence North 3 degrees 28 minutes 46 seconds East (N 3 degrees 28 minutes 56 seconds E, Plat), along the East line of a "Roadway Easement" as shown on the recorded plat of said RED BRIDGE BUSINESS CENTER, and along the East line of Lot 2 of said Block 1, a distance of 285.66 feet to the Northeast corner of said Lot 2; thence North 86 degrees 39 minutes 20 seconds West (N 86 degrees 39 minutes 10 seconds W, Plat) along the North line of said Lot 2 a distance of 192.12 feet; thence North 3 degrees 20 minutes 40 seconds East, 350 feet distance East of and parallel with the center line of Oak Street, as now established, a distance of 404.24 feet to a point on the South right of way line of Red Bridge Road, as now established, thence South 85 degrees 01 minutes 30 seconds East (S 84 degrees 59 minutes 14 seconds E, Plat), a distance of 783.20 feet; thence South 3 degrees 27 minutes 48 seconds West (S 3 degrees 27 minutes 58 seconds W, Replat), a distance of 200 feet; thence South 85 degrees 00 minutes 23 seconds East, a distance of 175.25 feet, to a point on the East line of said Lot 1, being also a point on the West right of way line of said Holmes Road; thence South 3 degrees 25 minutes 12 seconds West (S 3 degrees 26 minutes 20 seconds W, Plat), along said West right of way line and the East line of said Lot 1 a distance of 288.70 feet; thence North 86 degrees 33 minutes 50 seconds West and no longer along said East line and said West right-of-way line, a distance of 189.50 feet; thence South 3 degrees 25 minutes 12 seconds West (S 3 degrees 26 minutes 20 seconds W, Plat), parallel with the East line of said Lot 1, a distance of 290.00 feet; thence South 86 degrees 33 minutes 50 seconds East, 189.50 feet to a point on the East line of said Lot 1; thence South 3 degrees 25 minutes 12 seconds West (S 3 degrees 26 minutes 20 seconds W, Plat), along said East line and along said West right-of-way line, a distance of 184 feet to the point of beginning.

PARKING PARCEL & DAYCARE

TOGETHER WITH all that part of the remaining portion of Lot 1, Block 1 of RED BRIDGE BUSINESS CENTER, a subdivision in Kansas City, Jackson County, Missouri, according to the recorded plat thereof, recorded October 15, 1985 as Document No. K- 684448, in Plat Book K- 36 at 52, described as follows:

Beginning at the Northwest corner of TRACT 1, REPLAT OF PART OF LOT 1, BLOCK 1, RED BRIDGE BUSINESS CENTER, a subdivision in Kansas City, Jackson County, Missouri, according to the recorded plat thereof, recorded February 13, 2001, as Document No. 2001K-0007935, in Plat Book K-40 at Page 30, being also a point on the south right-of-way line of Red Bridge Boulevard, as now established; thence the following courses and distances: thence South 3 degrees 20 minutes 40 seconds West along a line 350 feet East of and parallel with the centerline of Oak Street, as now established, a distance of 300.91 feet; thence North 85 degrees 50 minutes 20 seconds West a distance of 18.38 feet; thence North 3 degrees 47 minutes 7 seconds East 96.97 feet; thence North 86 degrees 37 minutes 55 seconds West a distance of 122.36 feet; thence South 3 degrees 20 minutes 40 seconds West a distance of 86.04 feet; thence North 86 degrees 39 minutes 20 seconds West a distance of 180.00 feet to the east right-of-way line of said Oak Street; thence North 3 degrees 20 minutes 40 seconds East (N 3 degrees 20 minutes 50 seconds E, Plat), a distance of 278.20 feet; thence Northerly, Northeasterly and Easterly, along a curve to the right, tangent to the last described course and continuing along the right of way of said Oak Street, having a radius of 20 feet and a central angle of 91 degrees 37 minutes 50 seconds, an arc distance of 31.99 feet (32 feet, Plat), to a point on the south right-of-way line of Red Bridge Boulevard; thence South 85 degrees 01 minute 30 seconds East (S 84 degrees 59 minutes 14 Seconds East, Plat), along said South right-of-way line, a distance of 299.55 feet to the point of beginning.

C/S

EXCEPT that part replatted as LOT 1, TRACT 3, RED BRIDGE BUSINESS CENTER, REPLAT OF PART OF TRACT 1, REPLAT OF PART OF LOT 1, BLOCK 1, a subdivision in Kansas City, Jackson County, Missouri, according to the recorded plat thereof, recorded October 19, 2001, as Document No. 2001K-0059969, in Plat Book K- 40 at Page 47.

PARCEL II

All of the land within the boundary of the Roadway Easement (Access to Lot 2) as shown on the plat of RED BRIDGE BUSINESS CENTER under Document No. K684448, filed October 15, 1985, in Book K36, Page 52, except part in street and roads.

QUALIFICATIONS OF SCOTT J. BELKE, MAI

Education

Colorado School of Mines, Golden, Colorado, Petroleum Engineering Studies (1975–1977)

William Jewell College, Liberty, Missouri, Bachelor of Arts, Religion (1978–1979)

St. Peter's College, Oxford University, Oxford, England, Theological/Historical Studies (1979–1980)

Denver Seminary, Denver, Colorado, Master of Divinity (1980–1983)

The Appraisal Institute

Designation

Scott completed all of his course work for the MAI designation between 1985 and 1990. He obtained the MAI designation in 1990.

Continuing Education

Analyzing Commercial Lease Clauses

Analyzing Operating Expenses

Appraisal Institute–Business Practices & Ethics

Appraisal Consulting

Appraising Distressed Real Estate

Appraising From Blueprints and Specifications

Appraising The Appraisal (Appraisal Review)

Case Studies in Commercial HBU

Comprehensive Examination Workshop

Cost Approach to Commercial Appraising

Effective Appraisal Writing

Eminent Domain & Condemnation Appraising

Evaluating Commercial Construction

Feasibility Analyst & Highest And Best Use

Gramm-Leach-Bliley Act

HP12C Financial Calculator

Income Property Demonstration Appraisal

Industrial Valuation

Internet Search Strategies

Litigation Valuation

Mark to Market Seminar

Market Analysis and the STDB

Mortgage Fraud Awareness

Rates, Ratios and Reasonableness

Retail Valuation

Scope of Work

Small Hotel/Motel Valuation

Standards of Professional Practice, Part A

Standards of Professional Practice, Part B

Standards of Professional Practice, Part C

Supporting Capitalization Rates

The High-Tech Appraisal Office

The Internet and Appraising

The Road Less Traveled: Special Purpose Properties

USPAP Update

Understanding and Using DCF Software

Understanding and Using Investor Surveys Effectively

Valuation of Detrimental Conditions in Real Estate

Employment

Belke Appraisal & Consulting Services, Inc., President (10/00 to present)

Rule & Company, Incorporated, Kansas City, Missouri, Principal (1/85 to 9/00)

United Parcel Service, Denver, CO, Driver (various periods from 1983–1985)

Purolator Armored, Denver, CO, Driver, Vault Worker (1978–1982)

Affiliations

Certified General Real Estate Appraiser in Missouri (Certificate No. RA 001868)

Certified General Real Property Appraiser in Kansas (Certificate No. G-1214)

Professional

Scott has served the Kansas City Chapter of the Appraisal Institute in various capacities including Exam Proctor, Committee Chair Admissions-General, Director, Treasurer, Secretary, Vice President, and President (2007), Peer Review Committee (Grievance & Ethics).

REDEVELOPMENT CONSULTING PROJECTS

Scott J. Belke, MAI has provided consulting services on the following redevelopment projects:

Kansas City, MO

Ward Parkway & Roanoke Conservation District (Ch. 99); Feb-96
Traders On Grand Blight Study (Ch. 353); Jul-97
63rd & Troost TIF Blight Study (Ch. 99); Aug-97
2028 Baltimore Blight Study (Ch. 353); Mar-98
Bannister & Holmes Mine Blight Study (Ch. 353); Sep-98
Mark Twain Building Blight Study (Ch. 353); Feb-99
Nettleton Home Blight Study (Ch. 353); Sep-99
Commerce Trust Building Blight Study (Ch. 353); Sep-99
Critical Link Blight Study (Ch. 353); Mar-00
18th & Vine Blight Study (Ch. 353); Apr-00
Briarcliff West TIF North Expansion (Ch. 99); Aug-00
1528 Walnut Blight Study (Ch. 353); Jun-01
Blue Ridge Mall Blight Study (Ch. 353); May-02
Crossroads Blight Study/General Development Plan (PIEA, Ch. 100); Aug-02
Ellison/Knickerbocker Blight Study/GDP (PIEA, Ch. 100); Feb-03
Folger Coffee Blight Study/GDP (PIEA, Ch. 100); Jul-03
Stuart Hall/HD Lee Blight Study (PIEA, Ch. 100); Nov-03
Santa Fe TIF Expansion Area Blight Study (Ch. 99); Nov-03
Briarcliff West TIF South Expansion (Ch. 99); Jan-04
Manchester Business Center Blight Study/GDP (PIEA, Ch. 100); Mar-04
Southwest Boulevard PIEA Blight Study/GDP (PIEA, Ch. 100); Mar-04
Blue Ridge Mall TIF Expansion (Ch. 99); Jun-04
87th Street & Hillcrest Road TIF Plan (Ch. 99); Dec-04
Stuart Hall/HD Lee Blight Study (PIEA, Ch. 100); Feb-05
Armour/Gillham Blight Study/GDP (PIEA, Ch. 100); Apr-05
Truman Road Business Park Blight Study/GDP (PIEA, Ch. 100); Jun-05
39th & Main Blight Study/GDP (PIEA, Ch. 100); Sep-05
Guinotte PIEA Blight Study/GDP (PIEA, Ch. 100); Oct-05
Downtown Loop PIEA Blight Study/GDP (PIEA, Ch. 100); Oct-05
Northeast Bottoms PIEA Blight Study/GDP (PIEA, Ch. 100), Jun-06
Rivergate Business Center But For/Economic Impact (Ch. 353), Jul-06
Old Federal Courthouse PIEA Blight Study/GDP (PIEA, Ch. 100), Aug-06
Promenade TIF Conservation Area Analysis (Ch. 353), Sep-06
Rivergate Business Center (But For/Economic Impact); Oct-06

Trinity Hospital PIEA Blight Study/GDP (PIEA, Ch. 100); Kansas City, MO (Jul-07)
Hillside Materials TIF Blight Study (Ch. 353); Kansas City, MO (Sep-07)
PIEA Consultant on Economic Development & Incentive Policy, Economic Modeling, Cost Benefit Analysis, and But For Analysis; Kansas City, MO (Nov-Dec 2007)
NNSA/Honeywell PIEA Blight Study/GDP (PIEA, Ch. 100), Tax Impact Analysis, But For Analysis; Kansas City, MO (May-08)
Economic Development Incentive & Policy Workshops; Nov-08, Nov-09
1220 Washington Property Value Maximization Scenario Consultations; Apr-12
9th & Central TIF Blight Study (Ch. 99); Aug-13
Wornall-Bannister EDC Blight Study (Chs. 99, 100, and 353); Sep-13
Hillside Materials TIF Expansion (Ch. 353); Nov-13
Bannister & Wornall TIF Blight Study (Ch. 99); Mar-14
KC Power & Light TIF Blight Study (Chs. 99 and 100); Apr-14
14th & Baltimore PIEA Blight Study/GDP (Ch. 100); May-14
First Amendment Bannister & I-435 TIF Plan Blight Study (Ch. 99); Jul-14
20th & Main TIF Blight Study (Ch. 99); Aug-14
Grand Reserve TIF Plan Conservation Area (Ch. 99); Dec-14
Mark Twain KC Chapter 353 Advisory Board Blight Study (Ch. 353); Feb-15
Metro North Crossing TIF Blight Study (Ch. 99); May-15

Independence, MO

Lee's Summit Road/I-70 TIF Blight Study (Ch. 99); Feb-95

Blue Springs, MO

Blue Springs, Missouri Downtown Blight Study (Ch. 353); Nov-00

North Kansas City, MO

Harbor Town Blight Study (Ch. 353); Mar-95

Handy Stop Blight Study (Ch. 353), Aug-04

1815 Burlington Avenue (Ch. 353), Jun-06

Sugar Creek, MO

Carefree Mine TIF Blight Study (Ch. 99); May-01

Carefree Mine Expansion Blight Study (Ch. 353); Jan-03

Parkville, MO

Parkview Heights TIF Blight Study (Ch. 99); Oct-01

Westwood, KS

Woodside Village Conservation Area/Valuation (Ch. 12); Sep-11

COMPANY PROFILE

Over the past 30 years Scott J. Belke, MAI has valued or consulted on over 1,800 properties in the Kansas City metropolitan area and 14 surrounding states. The first 16 years of Scott's valuation experience were at Rule & Company, Inc., where Scott became a principal. Belke Appraisal & Consulting Services, Inc. can provide you with a variety of commercial real estate analyses including market value and value in use determinations, blight analysis, general development plans, tax appeal, litigation support, market analysis, and highest and best use analysis. Scott's broad-based background includes the following:

Traditional Uses:

Office, Industrial, Retail, Lodging, Multifamily, Residential Subdivisions, All Types Of Vacant Land

Special Uses:

Churches, College Campuses, LIH Apartments, Riverboat Gaming Facilities, Convenience Stores/Service Stations, Computer Centers, Medical Offices, Secondary Use of Limestone Caves, Mini Storage, Refrigerated/Freezer Storage, Parking Garages, Car/Truck Dealerships, Truck Stops, Restaurants, Bowling Alleys, Golf Courses/Mini Golf/Driving Ranges, Funeral Homes, Racquet Clubs, Nursing Homes, Skating Rinks, Truck Terminals, Indoor Soccer Facilities, Animal Research, Retirement Homes, Day-Care Centers, Fitness Centers

Consulting:

Blight Analysis, General Development Plans, Tax Impact Analysis, Economic Impact, "But For" Analysis, Market Studies, Highest & Best Use Analysis, Tax Appeal, Rent Analysis, Litigation Support

Though Scott's experience is focused on the greater Kansas City metropolitan area, he has also appraised property in the following states:

<i>Missouri</i>	<i>Kansas</i>	<i>Iowa</i>	<i>Texas</i>
<i>Nebraska</i>	<i>Arkansas</i>	<i>Oklahoma</i>	<i>Georgia</i>
<i>Virginia</i>	<i>Indiana</i>	<i>Illinois</i>	<i>Pennsylvania</i>
<i>Ohio</i>	<i>Florida</i>	<i>Wisconsin</i>	

Scott is a 30-year resident of the Northland and specializes in Platte and Clay Counties.

Scott completed all of his course work for the MAI designation between 1985 and 1990. He obtained the MAI designation in 1990. Scott strives to stay abreast of developments within the profession as indicated by the following continuing education:

Analyzing Commercial Lease Clauses
Appraisal Consulting
Appraising Distressed Real Estate
Appraising From Blueprints and Specifications
Appraising The Appraisal (The Art of Appraisal Review)
Appraisal Institute – Business Practices & Ethics
Case Studies in Commercial Highest and Best Use
Comprehensive Examination Workshop
Cost Approach to Commercial Appraising
Effective Appraisal Writing
Eminent Domain & Condemnation Appraising
Evaluating Commercial Construction
Feasibility Analyst & Highest And Best Use
Forecasting Revenue
Gramm-Leach-Bliley Act
HP12C Financial Calculator
HVS – Hotel Appraisal Seminar
Income Property Demonstration Appraisal
Industrial Valuation
Internet Search Strategies
Litigation Valuation
Mark to Market Seminar
Market Analysis and the STDB
Mortgage Fraud Awareness
Rates, Ratios and Reasonableness
Retail Valuation
Scope of Work
Small Hotel/Motel Valuation
Standards of Professional Practice, Part A
Standards of Professional Practice, Part B
Standards of Professional Practice, Part C
Supporting Capitalization Rates
The High-Tech Appraisal Office
The Internet and Appraising
The Road Less Traveled: Special Purpose Properties
USPAP Update
Understanding and Using DCF Software
Understanding and Using Investor Surveys Effectively
Valuation of Detrimental Conditions in Real Estate

The following summarizes Scott's educational background:

Colorado School of Mines, Golden, Colorado, Petroleum Engineering Studies, (1975–1977)

William Jewell College, Liberty, Missouri, Bachelor of Arts, (1978–1979)

St. Peter's College, Oxford University, Oxford, England, (1979–1980)

Denver Seminary, Denver, Colorado, Master of Divinity, (1980–1983)

Current certifications:

Certified General Real Estate Appraiser in Missouri, (Certificate No. RA 001868)

Certified General Real Property Appraiser in Kansas, (Certificate No. G-1214)

Professional service:

Scott has served the Kansas City Chapter of the Appraisal Institute in various capacities including:

Exam Proctor

Committee Chair Admissions-General

Director

Treasurer

Secretary

Vice President

President (2007)

Peer Review Committee (Grievance & Ethics)