

Comm # 120641

White Goss Bowers March Schulte & Weisenfels

a Professional Corporation

816-502-4723

pjensen@whitegoss.com

June 22, 2012

**VIA HAND DELIVERY**

Ms. Marilyn Sanders  
Acting City Clerk  
25th Floor, City Hall  
414 E. 12th Street  
Kansas City, MO 64106

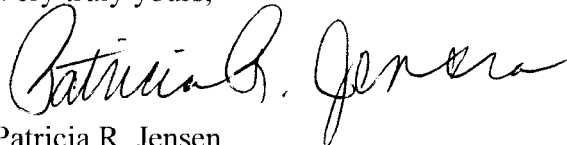
**Re: Oak Barry Community Improvement District**

Dear Marilyn:

Enclosed is the Petition to the City of Kansas City, Missouri for the Creation of the Oak Barry Community Improvement District ("District"). Also, please find enclosed a Blight Study for the District. Pursuant to Sections 67.1401.2(3) and 67.1421.4, RSMo, we are requesting that the City Council determine that the area within the District is a blighted area.

We have been working with Jim Hedstrom and Brian Rabineau in preparation of this Petition and understand it will be scheduled for public hearing before the City Council at a Business Session in the near future. We look forward to the approval of the ordinance establishing the District. We believe that this is a critical step in the overall redevelopment of this area. If you have any questions, please let me know.

Very truly yours,



Patricia R. Jensen

PRJ:geb  
enclosures

cc: Jim Hedstrom, w/ enclosures  
Brian Rabineau, Esq., w/ enclosures  
Jim Harpool, w/ enclosures  
James C. Bowers, Jr., Esq., w/ enclosures  
G. Elaine Bowers, w/ enclosures

**OAK BARRY  
COMMUNITY IMPROVEMENT DISTRICT**

**PETITION TO THE  
CITY OF KANSAS CITY, MISSOURI  
FOR THE CREATION OF THE**

**OAK BARRY COMMUNITY IMPROVEMENT DISTRICT**

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Submitted June 22, 2012

**PETITION FOR THE CREATION OF THE  
OAK BARRY COMMUNITY IMPROVEMENT DISTRICT**

To the City Council ("City Council") of the City of Kansas City, Missouri ("City"):

The undersigned ("Petitioners"), (1) being the owners of record owning more than fifty percent (50%) by assessed value of the real property within the boundaries of the hereinafter described proposed community improvement district (the "District"), and (2) comprising more than fifty (50%) per capita of all owners of real property within the boundaries of the District, do hereby petition and request that the City Council create such District to fund all or part of the costs of services and improvements described herein and provided and made within the District under the authority of Sections 67.1400 to 67.1571, R.S.Mo. (the "Act").

**1. Boundaries, Legal Description, and Map of District**

The legal description of the District is attached hereto as Exhibit A. A map of the boundaries of the District is attached hereto as Exhibit B, confirming that the District is contiguous. The District is located entirely within corporate boundaries of the City. A summary of the parcel(s) within the District owned by each Petitioner is attached hereto as Exhibit C.

**2. Name of District**

The name of the District is Oak Barry Community Improvement District.

**3. Signatures May Not Be Withdrawn**

Notice has been provided to all Petition signers that their signatures may not be withdrawn later than seven (7) days after the filing of this Petition with the City Clerk. This notice is included on each signature page attached to this Petition.

**4. Five-Year Plan**

A five-year plan stating a description of the purposes of the District, the services it will provide, the improvements it will make and an estimate of costs of these services and improvements to be incurred is attached hereto as Exhibit D.

**5. District Type**

The District will be established as a political subdivision of the State of Missouri in accordance with the Act.

**6. District Governance, Number of Directors**

The District will be governed by a board of directors elected by the District, which board shall consist of five (5) members.

**7. Board of Directors**

Pursuant to Section 67.1451.6, R.S.Mo., the initial board of directors and their respective terms shall be:

Garry Hayes	4 years
Caprice James	4 years
Bill Booth	2 years
Glen Anderson	2 years
Kim Jorges	2 years

Successor directors shall be elected by the District for four year terms. Pursuant to Mo. Const. Art. 7, § 8, each of the above initial board members are citizens of the United States, and have resided in the State of Missouri for at least one year preceding the submittal date of this Petition.

**8. Total Assessed Value**

The total estimated assessed value of all real property located within the District, as reported by the Clay County Assessor's Office, is \$10,450,500. As depicted on Exhibit C, Petitioners own real property within the District currently assessed at \$10,450,500 representing approximately 100% of the assessed value of all of the real property within the District.

**9. Determination of Blight, Blight Remediation and Public Purpose**

Petitioners request that the City Council declare that the area described on Exhibit A is a blighted area pursuant to Section 67.1401.2(3)(b), R.S.Mo. of the Act. A copy of a blight study supporting this request will be submitted to the City.

In order for the CID to be able to expend its revenues or loan its revenues pursuant to a contract entered into pursuant to R.S.Mo. § 67.1461.2(2), this Petition seeks the City Council's determination that the use of District revenues as described herein and pursuant to contracts to finance the demolition, removal, renovation, reconstruction or rehabilitation of portions of buildings within the Oak Barry Community Improvement District and related improvements and structures is reasonably anticipated to remediate the blighting conditions within the District and will serve a public purpose.

**10. Proposed Length of Time**

The life of the District shall begin from the effective date of the ordinance establishing the District, and shall be in existence for a minimum of twenty-three (23) years following the adoption of any financing obligations, after which time, the District shall continue in perpetual existence until all of the project costs are satisfied, unless sooner terminated in accordance with Section 67.1481, R.S.Mo. of the Act.

**11. Proposed Method of Financing District Projects - Sales Tax**

The proposed District Projects will be financed through a conventional secured loan, and/or reimbursement agreement or bonds issued by the District or other authorized body, any of which will be secured by the pledge of revenue received from the imposition of a one percent District sales tax within the District ("CID Sales Tax").

**12. Maximum Rates of Business Licenses and Real Property Taxes**

The District will impose no real property tax levy or business license taxes within the District.

**13. Method of Assessment and Maximum Rates of Special Assessments**

The District will impose no special assessments within the District.

**14. Limitations on Borrowing Capacity**

Petitioner does not seek limitations on the borrowing capacity of the District.

**15. Limitations on Revenue Generation**

Petitioner does not seek limitations on the revenue generation of the District.

**16. Other Limitations on District Powers**

Petitioner does not seek limitations on the powers of the District.

**17. Severability / Exhibits**

It is the intention of the Petitioners that the provisions of this Petition shall be enforced to the fullest extent permissible under the laws and public policies of the State of Missouri and that the unenforceability (or modification to conform with such laws or public policies) of any provision hereof shall not render unenforceable, or impair, the remainder of this Petition. Accordingly, if any provision of this Petition shall be deemed invalid or unenforceable in whole or in part, this Petition shall be deemed amended to delete or modify, in whole or in part, if necessary, the invalid or unenforceable provision or provisions, or portions thereof, and to alter the balance of this Petition in order to render the same valid and enforceable. All exhibits attached hereto are hereby incorporated into this Petition by reference.

**18. Request for Establishment**

By execution and submission of this Petition, the Petitioners respectfully request that the City Council establish the Oak Barry Community Improvement District as set forth in this Petition.

*[Remainder of page intentionally left blank; signature pages immediately follow]*

IN WITNESS WHEREOF, we the undersigned Petitioner has executed the above foregoing Petition to create a Community Improvement District:

Name of Owner	MD II, L.P.
Owner's Telephone Number	(913) 831-2996
Owner's Mailing Address	4400 Shawnee Mission Parkway, #209 Fairway, KS 66205; OR  P.O. Box 129 Shawnee Mission, KS 66201
Name of Signer	Mark Morgan
Signer's Legal Authority to Sign	Vice-President of MD Associates #4, Inc, General Partner of MD II, L.P.
Signer's Telephone Number	(913) 831-2996
Signer's Mailing Address	Same as above.
Type of Entity	Missouri Limited Partnership
Map, Parcel Number and Assessed Value of Each Tract of Property Owned within the District	See following pages

By executing this Petition, the undersigned represents and warrants that he is legally authorized to execute this Petition on behalf of the property owner named immediately above. The undersigned acknowledges that it has been given notice that its signature below may not be withdrawn later than seven (7) days after the filing of this Petition with the City Clerk.

MD II, L.P.  
A Missouri Limited Partnership

By: Mark Morgan  
Its: Vice-President of MD Associates #4, Inc., General Partner of MD II, L.P.  
Date: 6-21-12

STATE OF Kansas )  
 ) ss.  
COUNTY OF Johnson )

BE IT REMEMBERED, that on this 21 day of June, 2012, before me, the undersigned, a Notary Public in and for the County and State aforesaid, came Mark Morgan, Vice-President of MD Associates #4, Inc., the General Partner of MD II, L.P., who executed the within instrument on behalf of said limited partnership and he duly acknowledged the execution of the same to be the act and deed 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.

My Commission Expires: 1-13-15

Kim Y Mile  
NOTARY PUBLIC  
Kim Y. Mile  
Notary Public  
State of Kansas  
My Appt. Expires 1-13-15

MD II, L.P.:

Parcel Numbers and Assessed Values (2012):

<b>Map #</b>	<b>Parcel ID</b>	<b>Address</b>	<b>AV 2012 Land Improvements</b>
<b>87</b>	13-314-00-08-010.00	8401 N Oak Trafficway	193,100 106,900
<b>88</b>	13-314-00-08-011.00	8405 N Oak Trafficway	373,700 722,800
<b>89</b>	13-314-00-08-011.02	420 N.E. Barry Road	313,600 289,800
<b>90</b>	13-314-00-08-011.01	<i>No address N.E. Barry Road</i>	325,600
<b>91</b>	13-314-00-08-012.00	600 N.E. Barry Road	2,060,400 251,100
<b>92</b>	13-314-00-08-009.01	<i>No address N.E. 85<sup>th</sup> Terrace; 415 N.E. 85<sup>th</sup> Terrace</i>	362,400
<b>93</b>	13-314-00-08-013.00	500 N.E. Barry Road	1,725,000 1,802,600
<b>94</b>	13-314-00-08-013.01	<i>No address N.E. 85<sup>th</sup> Terrace</i>	335,400 1,800
<b>95</b>	13-314-00-08-013.02	504 (700) N.E. Barry Road	627,300 319,300
<b>97</b>	13-314-00-08-008.00	<i>No Address N.E. 85<sup>th</sup> Terrace; 420 N.E. 85<sup>th</sup> Terrace</i>	172,500
<b>98</b>	13-314-00-08-008.01	<i>No Address N Oak Trafficway</i>	467,200
	<b>Total</b>		<b>6,956,200 3,494,300</b>

**MAP:** See following page.

**CLERK'S RECEIPT OF PETITION**

This Petition was filed in the office of the City Clerk of the City of Kansas City, Missouri  
on the 22 day of June, 2012.

  
\_\_\_\_\_  
City Clerk

[SEAL]



**EXHIBIT A**  
**LEGAL DESCRIPTION OF DISTRICT**

Oak Barry Center  
CID Exhibit  
Parcel 1  
Lutjen No. 08265  
Date: May 5, 2011

Property Description:

All of Lot 8 and Tract A, Oak Barry Center 2<sup>nd</sup> Plat, a subdivision of land in the Northeast Quarter of Section 11, Township 51 North, Range 33 West, of the 5th Principal Meridian in Kansas City, Clay County, Missouri, being bounded and described as follows: Beginning at the Southeast corner of Tract A, said Oak Barry Center 2<sup>nd</sup> Plat, being also a point on the Northerly right-of-way line of Northeast 85<sup>th</sup> Terrace, as now established; thence Southwesterly, along said right-of-way line, along a curve to the left, having an initial tangent bearing of South 66°54'51" West, with a radius of 230.00 feet, a central angle of 38°49'49", and an arc distance of 155.87 feet; thence South 28°05'02" West, continuing along said right-of-way line, 250.34 feet; thence Southwesterly, continuing along said right-of-way line, along a curve to the right, being tangent to the last described course, with a radius of 170.00 feet, a central angle of 62°35'41" and an arc distance of 185.72 feet; thence North 89°19'17" West, continuing along said right-of-way line, 89.41 feet; thence Northwesterly, continuing along said right-of-way line, along a curve to the right, being tangent to the last described course, with a radius of 15.00 feet, a central angle of 90°00'00" and an arc distance of 23.56 feet to a point on the East right-of-way line of North Oak Street Trafficway, as now established; thence North 00°40'43" East, along said right-of-way line, 195.78 feet; thence South 89°45'58" East, along the Westerly line of said Oak Barry Center 2<sup>nd</sup> Plat, 155.00 feet; thence North 00°40'43" East, continuing along said Westerly line, 324.01 feet; thence South 89°45'58" East, continuing along said Westerly line, 18.71 feet; thence North 00°40'43" East, continuing along said Westerly line, 27.61 feet to the Northwest corner of said Tract A; thence South 89°19'17" East, along the North line of said Tract A, 244.46 feet to the Northeast corner thereof; thence South 23°05'09" East, along the Easterly line of said Tract A, 158.57 feet to the Point of Beginning. Containing 142,419 square feet or 3.27 acres, more or less.

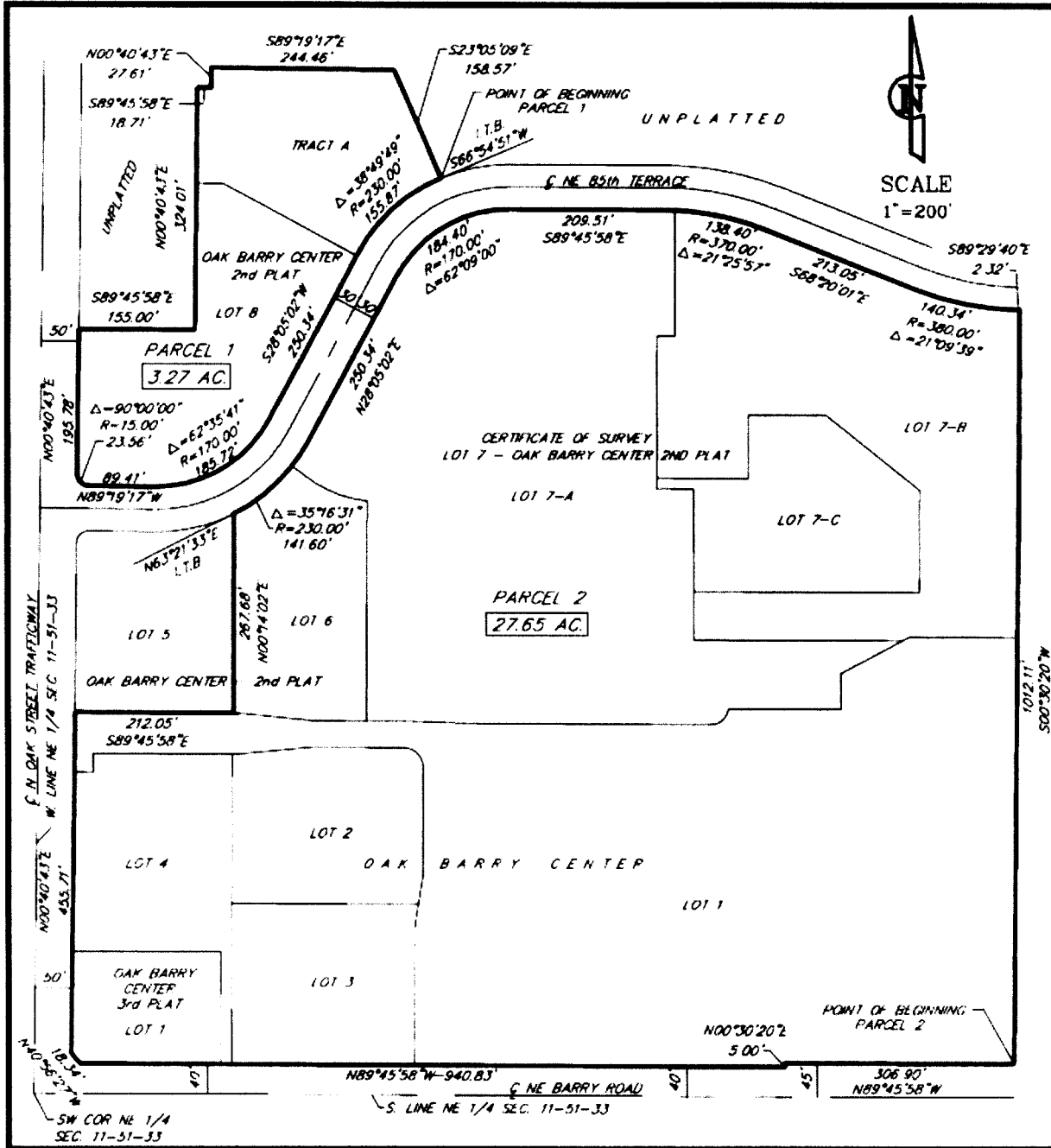
Oak Barry Center  
CID Exhibit  
Parcel 2  
Lutjen No. 08265  
Date: May 5, 2011

Property Description:

All of Lots 1, 2, 3 and 4, Oak Barry Center, all of Lot 6, Oak Barry Center 2<sup>nd</sup> Plat, all of Lots 7-A, 7-B and 7-C of the Certificate of Survey of Lot 7, Oak Barry Center 2<sup>nd</sup> Plat, all of Lot 1, Oak Barry Center 3<sup>rd</sup> Plat, all being subdivisions of land in the Northeast Quarter of Section 11, Township 51 North, Range 33 West, of the 5th Principal Meridian in Kansas City, Clay County, Missouri, being bounded and described as follows: Beginning at the Southeast corner of Lot 1, said Oak Barry Center, being also a point on the Northerly right-of-way line of Northeast Barry Road, as now established; thence North 89°45'58" West, along said right-of-way line, 306.90 feet; thence South 00°30'20" West, continuing along said right-of-way line 5.00 feet; thence North 89°45'58" West, continuing along said right-of-way line, 940.83 feet; thence North 40°56'27" West, continuing along said right-of-way line, 18.34 feet to a point of the East right-of-way line of North Oak Street Trafficway, as now established; thence North 00°40'43" East, along said right-of-way line, 455.71 feet to the Southwest corner of Lot 5, said Oak Barry Center 2<sup>nd</sup> Plat; thence South 89°45'58" East, along the South line of said Lot 5, 212.05 feet to the Southeast corner, thereof; thence North 00°14'02" East, along the East line of said Lot 5, 267.68 feet to a point on the Southerly right-of-way line of said Northeast 85<sup>th</sup> Terrace; thence Northeasterly, along said right-of-way line, along a curve to the left, having an initial tangent bearing of North 63°21'33" East, with a radius of 230.00 feet, a central angle of 35°16'31" and an arc distance of 141.60 feet; thence North 28°05'02" East, continuing along said right-of-way line, 250.34 feet; thence Northeasterly, continuing along said right-of-way line, along a curve to the right, being tangent to the last described course, with a radius of 170.00 feet, a central angle of 62°09'00" and an arc distance of 184.40 feet; thence South 89°45'58" East, continuing along said right-of-way line, 209.51 feet; thence Easterly, continuing along said right-of-way line, along a curve to the right, being tangent to the last described course, with a radius of 370.00 feet, a central angle of 21°25'57" and an arc distance of 138.40 feet; thence South 68°20'01" East, continuing along said right-of-way line, 213.05 feet; thence Easterly, continuing along said right-of-way line, along a curve to the left, being tangent to the last described course, with a radius of 380.00 feet, a central angle of 21°09'39" and an arc distance of 140.34 feet; thence South 89°29'40" East, continuing along said right-of-way line, 2.32 feet to the Northeast corner of Lot 7-B, said Certificate of Survey of Lot 7; thence South 00°30'20" West, along the East line of said Lot 7-B and the East line of said Oak Barry Center, 1,012.11 feet to the Point of Beginning. Containing 1,204,279 square feet or 27.65 acres, more or less.

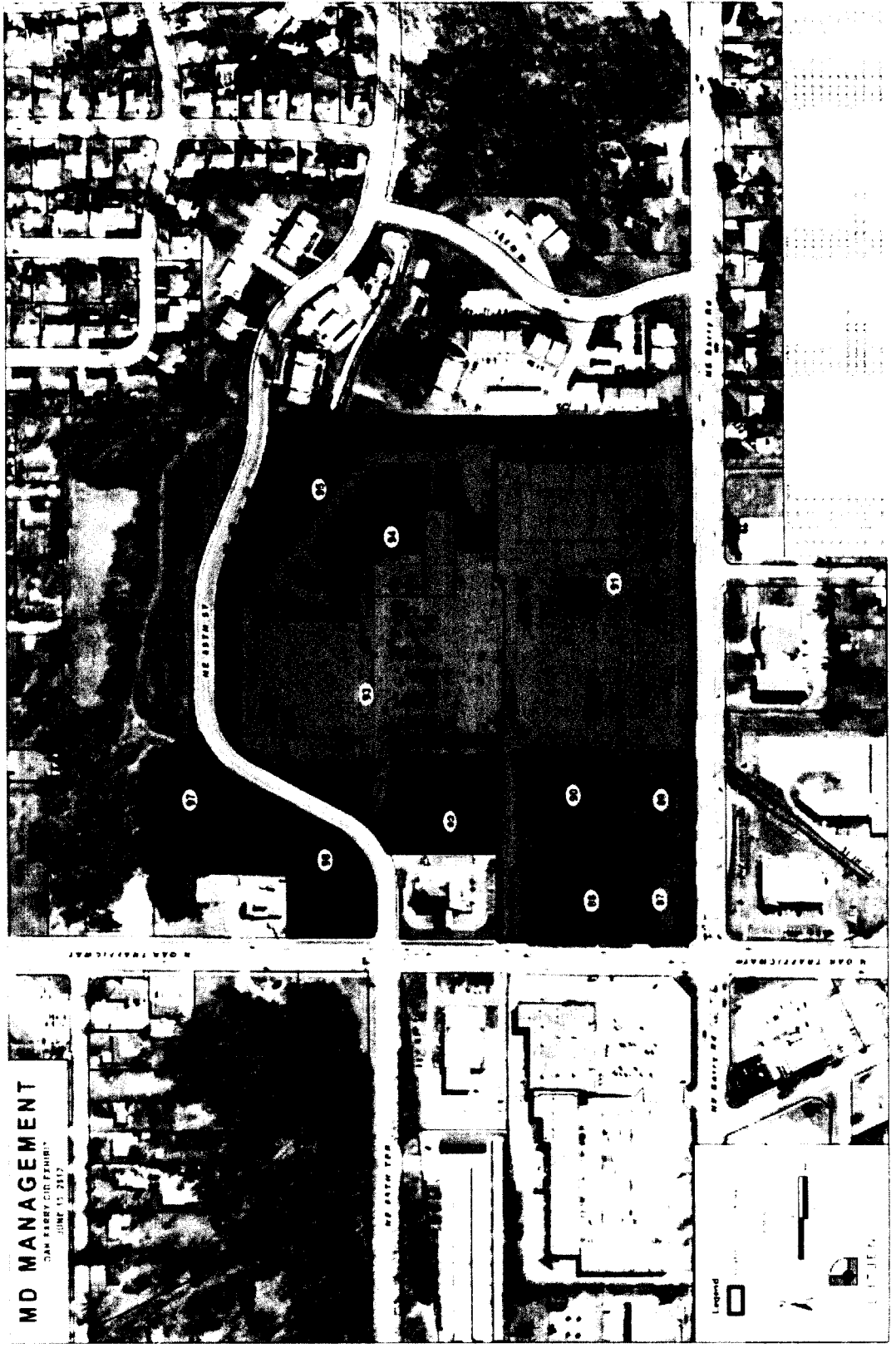
**EXHIBIT B**  
**MAP OF DISTRICT**

See following page.



Location: S:\Projects\MISSOURI\11-51-33\06265 - Oak Barry Center\Plans\Exhibits\06265 - Oak Barry Exhibit.dwg

<p>1301 Burlington #100          North Kansas City, MO 64116          816.657.4320          816.657.1393 fax          www.lutjen.com</p>		<h2>CID EXHIBIT</h2>
<p>surveying          planning          engineering          landscape architecture</p>		<h3>OAK BARRY CENTER</h3> <p>NE 1/4 - SEC. 11 - TWP. 51N. - R02L 33W.          KANSAS CITY, CLAY COUNTY, MISSOURI</p>
<h1>LUTJEN</h1>		



**EXHIBIT C**  
**PARCEL NUMBERS AND ASSESSED VALUES OF PROPERTY WITHIN DISTRICT**

**PETITIONERS' TRACTS:**

**MD II, L.P.:**

Parcel Numbers and Assessed Values (2012):

<b>Map #</b>	<b>Parcel ID</b>	<b>Address</b>	<b>AV 2012 Land Improvements</b>
<b>87</b>	13-314-00-08-010.00	8401 N Oak Trafficway	193,100 106,900
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<b>98</b>	13-314-00-08-008.01	<i>No Address N Oak Trafficway</i>	467,200
			<b>6,956,200</b>
			<b><u>3,494,300</u></b>
	<b>Total</b>		<b>10,450,500</b>

**PETITIONERS' PERCENTAGE OF TOTAL CID ASSESSED VALUE:**

<b>Total AV Petitioners' Parcels</b>		<b>\$10,450,500</b>
<b>Total AV CID</b>		<b>\$10,450,500</b>
<b>Percentage of Total AV</b>		<b>100 %</b>

## EXHIBIT D

### FIVE-YEAR PLAN OF DISTRICT

**A. General.** The District will be established for the purposes of providing funding for the financing, design, construction, demolition, removal, renovation, reconstruction or rehabilitation of certain public improvements and buildings, or portions thereof, located within the District and related improvements and structures, as authorized pursuant to the Act and R.S.Mo. § 67.1461.2. Such improvements and renovations are described as those projects eligible for funding or reimbursement from CID revenue as shown in greater detail in the budget described below. The District's purposes also include providing funding for the initial start up costs and ongoing operating costs of the District.

**B. Purposes.** The purposes of the District are to:

- (1) Form and govern the District in accordance with the Act and the revised statutes of the State of Missouri;
- (2) Provide or cause to be provided for the benefit of the District, certain improvements and services described herein;
- (3) Obtain financing for the costs, expenditures, and undertakings of the District;
- (4) To levy and collect the CID sales tax in order to provide a source of repayment for CID Obligations issued to finance the District Projects, or to pledge toward the repayment of CID Obligations issued to finance the District Projects; and
- (5) Such other purposes authorized by the Act.

**C. District Administrative/Operation Costs.** The administrative/operational services to be performed by the District shall include, but not be limited to, the following:

- (1) Adopting bylaws, passing resolutions, and otherwise governing the District in the manner required by the Act and the revised statutes of the State of Missouri;
- (2) Developing funding sources, including the levying of the CID sales tax, necessary in order to pay for the required expenses, costs and expenses of the District in a manner authorized by the Act;
- (3) Providing such accountings, reports and communications as are required by the Act and the Redevelopment Agreement;
- (4) Employing or contracting for necessary agents, attorneys, engineers, appraisers, construction managers, environmental inspectors and experts of various types and descriptions in order to obtain competent plans and contracts for the construction (such term to include, inter alia, construction, demolition, removal, renovation, reconstruction or rehabilitation) of District Projects as described in this Petition;

- (5) Arranging for the construction of the District Projects in accordance with approved plans for same;
- (6) Complying with the terms and conditions of the ordinance of the City authorizing the creation of the District; and

The estimated costs for the District's Administrative/Operational Costs are approximately \$25,000 annually.

**D. District Services.** The District is authorized to provide all of those services authorized by the Act, including maintenance of public improvements and public and private property within the District, and supporting business activity and economic development in the District, including, but not limited to, the promotion of business activity, development and retention, and the recruitment of businesses. As the District does not anticipate initially providing such services, the estimated costs for District Services is \$0.

**E. District Projects.** The District Projects to be constructed by the District shall include, but not be limited to the following costs necessary for the remediation of the blighting conditions burdening the District:

**Project Costs**

**Blight Remediation**

Demolition of Existing Structures	\$	550,000
Demolition of existing site improvements	\$	400,000
Construct Major Shell	\$	5,812,000
Retail Exteriors - Shell	\$	1,369,000
Exterior Renovations - Façade Improvements	\$	851,000
Interior Renovations - White Box	\$	1,817,000
Design, Engineering and Legal	\$	565,000
Subtotal		\$ 11,364,000

**Landscaping Improvements**

Landscaping	\$	623,000
Irrigation System	\$	150,000



Roundabout Feature	\$	50,000
<hr/>		
Subtotal	\$	823,000
<b>Site Improvements</b>		
Parking Lot	\$	497,000
Relocate and extend existing utilities	\$	554,000
Site Lighting/Electrical	\$	235,000
Replace perimeter fencing	\$	63,000
Retaining wall	\$	300,000
<hr/>		
Subtotal	\$	1,649,000
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Subtotal Project Costs	\$	13,836,000
Contingency	\$	1,300,000
<hr/>		
Total Project Costs	\$	15,136,000

This includes those relevant portions of the Private Project Improvements necessary to remediate the blighting conditions of the District as described in the blight study and as authorized by the City.

**F. Budget.** The commencement of the construction of District Projects and commencement of District Services and the levy and collection of the CID Sales Tax are anticipated to occur within the first year of the District's existence.

**G. Initial Start Up Costs.** All costs associated with the formation of the District, including, but not limited to, the drafting, filing and prosecuting of this Petition, the negotiation of any and all agreements between the District and the City, including but not limited to legal fees, insurance and accounting fees. The estimated cost of the initial start up of the District is approximately \$50,000.

June 15, 2012

Ms. Patricia R. Jensen, Esq.  
White Goss Bowers March Schulte & Weisenfels  
4510 Belleview, Suite 300  
Kansas City, MO 64111

VIA E-MAIL

**Re: Letter Update of Oak Barry CID Blight Study (June 20, 2011)**

Dear Ms. Jensen:

Per your request please accept this letter as an update to the Oak Barry Community Improvement District (CID) Blight Study, dated June 20, 2011 and conducted by Sterrett Urban LLC for MD Management. The purpose of the Blight Study was to determine if the proposed Oak Barry Community Improvement District (the "Study Area") in Kansas City, Missouri evidences blight according to the Community Improvement District Act – Sections 67.1401 to 67.1571 R.S.Mo. (the "Act").

As detailed below, this letter update re-affirms the conclusion stated in the Blight Study dated June 20, 2011. The Oak Barry CID is a "blighted area" according to the definition provided in Missouri's Community Improvement District Act statutes (RSMo. Ch. 67) and constitutes an economic liability in its present condition and use.

Background and Update

The Study Area lies within the Gashland neighborhood and consists of a shopping center with nine (9) property parcels upon which eight (8) retail, quick service restaurant, and gas station buildings have been constructed. Two (2) parcels within the development remain vacant and have never been developed. The total land area of the development is approximately 27.8 acres, and is generally bounded by NE Barry Road on the south, North Oak Trafficway on the west, and NE 85<sup>th</sup> Terrace on the north. A multifamily residential development borders the shopping center to the east.

The Act provides the following definition for a blighted area:

“Blighted area”, an area which:

- (a) 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; or
- (b) Has been declared blighted or found to be a blighted area pursuant to Missouri law including, but not limited to, chapter 353, sections 99.800 to 99.865, or sections 99.300 to 99.715. (67.1401, RSMo.)

The Blight Study includes a detailed analysis of the site, building, and public improvement deterioration. Qualifying blight conditions throughout the Study Area were identified and analyzed on a parcel-by-parcel basis to produce charts showing blight conditions present in the study area.

On May 31, 2012 the consultant, for purposes of providing this update, visited the Study Area and inspected each of the nine (9) parcels. Unlike the investigations that took place for the Blight Study dated June 20, 2011, inspections of the building interiors and of the roofs did not take place. Only two visible changes were observed – one retail space that was occupied by H&R Block during the time of the original investigation in 2011 is now vacant, and a separate retail building, located north of K-Mart and vacant at the time of the original investigation, is now occupied by Active Family Fitness. As a result the vacancy rate has improved slightly, although the consultant is unaware of the terms of the lease for the new retail tenant. It's very possible, considering the possible redevelopment timeline for the shopping center, that the lease does not reflect the current market.

As stated above, only tenancy changes were noted during the inspection on May 31, 2012, and the consultant sees no need to change the chart included in the Blight Study showing blight conditions present in the study area. The chart showing those blight conditions was included in “Appendix C: Summary of Properties & Blighting Factors Present” in the Blight Study and is attached to this letter.

As a result, the following conclusion and chart summarizing the five blighting factors present within the Study Area remain valid.

As evidenced from the table below, more than 50% of the redevelopment area satisfies the blighting factors of “Insanitary or unsafe conditions” and “Deterioration of site improvements”. In addition, the percentage of the study area that has at least one blighting factor is 95.5%. However, although eight (8) of the nine (9) properties had at least one blighting factor present, only three (3) properties were deemed to exhibit blighting factors on a predominance of the

property. Of the 1,208,876 square feet contained in the Study Area, 60.0%, or 724,914 square feet of property, were found to have a predominance of blighting factors present, usually due to the presence of a combination of several of the blighting factors.

## Oak Barry CID

### Summary of Blighting Factors

Study Area	Parcels	Pct.	Area (sq. ft.)	Pct.
Total	9	100%	1,208,876	100%
<u>Blighting Factors</u>				
Defective or inadequate street layout	0	0.0%	0	0.0%
Improper subdivision or obsolete platting	0	0.0%	0	0.0%
Insanitary or unsafe conditions	5	55.5%	984,034	81.4%
Deterioration of site improvements	8	88.9%	1,153,964	95.5%
Existence of conditions which endanger life or property by fire and other causes	NA	NA	NA	NA
Parcels with at least one blighting factor	8	88.9%	1,153,964	95.5%
Parcels with no blighting factors	1	11.1%	54,912	4.5%
Parcels with a predominance of blight factors	3	33.3%	724,914	60.0%

The consultant did find that assessed values of six of the nine parcels had changed. The assessed value of the parcel containing the Price Chopper grocery store in 2011 increased 4.3% from the previous year, and the small retail space located adjacent to the Price Chopper and the stand-alone retail building north of K-Mart had a negligible increase. However the increases in assessed values was more than offset by declines in assessed values of those parcels containing K-Mart, the vacant Citizens Bank building, the coffee shop and Taco Bell, and the vacant ground located next to the small retail shops east of Price Chopper. Altogether, the shopping center experienced a 0.2% decline in assessed values from 2010 to 2011. The amount of taxes paid in 2011 was \$258,005, a small decline from \$259,430 in 2010. As a result, the Study Area continues to be an economic liability, evidenced by deteriorating and vacant structures, as well as declining assessed values and low tax revenues.

The conclusion of the Blight Study dated June 20, 2011 states:

*"The dominant blighting factor is the physical deterioration of building and site improvements that result in unsafe conditions throughout the Study Area. A number of structures and systems in the Study Area are more than 20 years old and nearing the end of their life cycle and a majority of the surface parking area is in poor condition and requires replacement or substantial repair. This results in an inability to ensure safe, clean space for retailers and shoppers. The decline in assessed value and tax revenues for much of the shopping center indicates blight is present within the Oak Barry CID. All of the above combine to create economic underutilization and an inability to pay reasonable taxes.*

*Therefore, the consultant has determined that the Oak Barry Study Area of Kansas City, Missouri, as of June 20, 2011, in its present condition and use, is a "blighted area" according to the definition provided in Missouri's Community Improvement District Act statutes (RSMo Ch. 67) and constitutes an economic liability in its present condition and use." (p. 36)*

As stated above, the consultant finds that as of May 31, 2012, conditions have not changed within the Study Area and the blighting factors found to exist as of June 20, 2011 remain valid. As stated in the Blight Study dated June 20, 2011 and re-affirmed in this letter update, the Oak Barry CID is a "blighted area" according to the definition provided in Missouri's Community Improvement District Act statutes (RSMo. Ch. 67) and constitutes an economic liability in its present condition and use.

Should you have any questions about the information or the conclusion contained within this letter update, please do not hesitate to contact me.

Sincerely,



Patrick Sterrett, AICP

Attachment

cc: Jim Harpool, MD Management w/attach.

No.	Parcel Address	Parcel APN (Clay County)	Defective or Inadequate Street Layout	Improper Subdivision or Obsolete Platting	Insanitary or Unsafe Conditions	Deterioration of Site Improvements	Endangerment of Life or Property by Fire, Other Causes	TOTAL	Predominance of Blighting Factors Present	Square Footage
1	415 NE 85th Terrace	13-314-00-08-009.01						0		54,912
2	8401 N. Oak Trafficway	13-314-00-08-010.00			■	■		2	■	29,431
3	8405 N. Oak Trafficway	13-314-00-08-011.00				■		1		57,924
4	No Address	13-314-00-08-011.01				■		1		52,509
5	420 NE Barry Road	13-314-00-08-011.02			■	■		2		52,497
6	600 NE Barry Road	13-314-00-08-012.00			■	■		2	■	382,373
7	500 NE Barry Road	13-314-00-08-013.00			■	■		2	■	313,110
8	No Address	13-314-00-08-013.01				■		1		59,496
9	700 NE Barry Road	13-314-00-08-013.02			■	■		2		206,623
TOTALS			0	0	5	8		13	3	1,208,876
Square Feet			0	0	984,034	1,153,964			724,914	
Percentage of Total			0.0%	0.0%	81.4%	95.5%			60.0%	

Oak Barry Community Improvement District  
 Blight Study - Letter Update (June 15, 2012)

Revised Appendix B  
 Property Valuation and Taxes

No.	Parcel ID Number	Assessed Values				2011 Assessed Values		Taxes	
		2007	2008	2009	2010	2011 Land	2011 Imprvmt	2011	Delinquent
1	13-314-00-08-009.01	43,490	43,490	43,490	43,490	43,490	0	3,065.44	0.00
2	13-314-00-08-010.00	164,960	147,200	133,310	96,000	61,790	34,210	8,293.06	0.00
3	13-314-00-08-011.00	44,840	44,840	119,580	371,490	119,580	231,300	30,311.12	0.00
4	13-314-00-08-011.01	39,070	39,070	39,070	39,070	39,070	0	2,753.89	0.00
5	13-314-00-08-011.02	202,880	202,880	202,880	202,880	100,350	92,740	16,680.27	0.00
6	13-314-00-08-012.00	810,240	810,240	744,740	744,740	659,330	80,350	63,897.99	0.00
7	13-314-00-08-013.00	1,087,040	1,087,040	1,082,400	1,082,400	552,000	576,830	97,515.11	0.00
8	13-314-00-08-013.01	107,810	107,810	107,940	107,940	107,320	580	9,321.05	0.00
9	13-314-00-08-013.02	317,180	317,180	320,100	320,100	200,730	102,180	26,167.18	0.00
<b>Total</b>		<b>2,817,510</b>	<b>2,799,750</b>	<b>2,793,510</b>	<b>3,008,110</b>	<b>3,001,850</b>	<b>1,118,190</b>	<b>258,005.11</b>	<b>0.00</b>

Annual Change %  
 Cumulative Change %

Without New Cons - Parcel 3  
 Annual Change %  
 Cumulative Change %

	-0.6%	-0.2%	7.7%	-0.2%
	-0.6%	-0.9%	6.8%	6.5%
	2,772,670	2,754,910	2,673,930	2,636,620
	-0.6%	-2.9%	-1.3%	0.5%
	-0.6%	-3.6%	-4.9%	-4.4%

Oak Barry Community Improvement District

## **Blight Study**

MD Management  
Kansas City, Missouri  
20 June 2011

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STERRETT



LLC



Oak Barry Community Improvement District

# Blight Study

MD Management  
Kansas City, Missouri  
20 June 2011

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## **Introduction**

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The purpose of this analysis is to determine if the proposed Oak Barry Community Improvement District (the "Study Area") in Kansas City, Missouri evidences blight according to the Community Improvement District Act – Sections 67.1401 to 67.1571 R.S.Mo. (the "Act"). The consultant visited nine property parcels within the Study Area in May 2011 and again in June 2011. The effective date of this study is the last date of inspection, June 20, 2011.

The Study Area lies within the Gashland neighborhood. The Study Area is generally bounded by NE 85<sup>th</sup> Terrace on the north, the eastern property line of 700 NE Barry Road on the east, NE Barry Road on the south, and North Oak Trafficway on the west. The Study Area is depicted in the maps included on the following pages. The Study Area encompasses nine (9) tax parcels containing approximately 27.8 acres.

### **Definitions**

Chapter 67 of the Missouri Revised Statutes, entitled "Political Subdivisions, Miscellaneous Powers", under Sections 67.1401 to 67.1571, entitled the Community Improvement District Act, allows for the establishment of a Community Improvement District ("CID"). A CID is either a political subdivision or a nonprofit corporation, and is a separate legal entity distinct and apart from the municipality or county that creates the district. The CID consists of the area in which the improvements are to be constructed or services are to be provided and is created by petition circulated within the proposed district.

CIDs are established for the purpose of financing a wide range of public-use facilities and establishing and managing policies and public services relative to the needs of the CID. CIDs can impose special assessments, real property taxes, sales taxes, and fees. CIDs can also be combined with other funding methods to pay for additional services and improvements.

If a CID is located in a blighted area, it has additional powers and may expend its revenues or loan funds to correct blighted conditions on private property within the CID.

The Act states the following with regard to the additional powers conferred upon a CID located in a blighted area:

2. Each district which is located in a blighted area or which includes a blighted area shall have the following additional powers:
  - (1) Within its blighted area, to contract with any private property owner to demolish and remove, renovate, reconstruct, or rehabilitate any building or structure owned by such private property owner; and
  - (2) To expend its revenues or loan its revenues pursuant to a contract entered into pursuant to this subsection, provided that the governing body of the municipality has determined that the action to be taken pursuant to such contract is reasonably anticipated to remediate the blighting conditions and will serve a public purpose. (67.1461.2, RSMo.)

The Act provides the following definition for a blighted area:

“Blighted area”, an area which:

- (a) 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; or
- (b) Has been declared blighted or found to be a blighted area pursuant to Missouri law including, but not limited to, chapter 353, sections 99.800 to 99.865, or sections 99.300 to 99.715. (67.1401, RSMo.)

### **Methodology**

The purpose of this work was to analyze conditions located within the proposed Oak Barry Community Improvement District so as to determine if the Study Area qualifies as a blighted area as defined within the Act.

The Blight Study includes a detailed analysis of site, building, and public improvement deterioration. Qualifying blight conditions throughout the Study Area were identified and analyzed on a parcel-by-parcel basis to produce charts showing blight conditions present in the study area.

Field investigations were conducted to document physical conditions within the categories of blight set out in the state statute. Pertinent Geographic Information Systems (GIS) data was obtained through the City and Clay County and analyzed. Additional supplemental and updated information was obtained through discussions with City staff, the owner of Oak Barry, and various reports and studies prepared or commissioned by City staff, property owners and other stakeholders.

The consultant visited the Study Area on May 27, 2011 and on June 20, 2011. The effective date of the study is June 20, 2011, the last date of inspection.

### **Previous Blight Determinations**

#### **Proposed Redevelopment Area**

The proposed community improvement district does not encompass any existing redevelopment plans.

#### **Adjoining Areas**

Several incentive areas are in close proximity to the Study Area, including the following:

Metro North Mall General Development Plan (PIEA). Located 0.4 miles west of the Study Area, the General Development Plan is generally bounded by NW Barry Road on the south, U.S. Highway 169 on the west, NW 88th Street on the north, and N. Baltimore Avenue and N. Wyandotte Avenue on the east in Clay County. The General Development Plan was adopted by the City on May 20, 2010 by Committee Substitute for Ordinance No. 100283, which included a finding of blight for the Planning Area. The Plan provides for the acquisition of property so as to make feasible the redevelopment of the property.

Barry Towne Tax Increment Financing Plan (TIF). Located approximately one mile west of the Study Area and adjacent to U.S. Route 169, the original TIF redevelopment area was generally bounded by U.S. Route 169 on the east, the extension of 80th Street on the south, Missouri Route 152 on the north, and NW Stagecoach Road (north of NW Barry Road) and Hickory Road (south of NW Barry Road) on the west in Clay and Platte Counties. The original Barry Towne TIF Plan was adopted by the City on June 6, 1996 by Committee Substitute for Ordinance No. 960307 and declared an economic development area. The First Amendment to the Barry Towne TIF Plan was approved by the City on September 6, 2001 by Ordinance No. 011203 and expanded the plan boundaries. The Second Amendment to the Barry Towne TIF Plan was approved on August 12, 2004 by Ordinance No. 040807. Neither the First nor the Second Amendment affected the finding of an economic development area for the redevelopment area. The plan provides for the development of 1,872,467 square feet of retail/commercial space, 31,800 square feet of recreational space for an athletic facility, 696 multi-family residential units, and 114,957 square feet of office space, together with parking and appurtenances.

Baughman Road Urban Renewal Area (URA). Located approximately 1.5 miles to the west and slightly south of the Planning Area at the southwest corner of NW Barry Road and NW Baughman Road, the URA was formally adopted by the City Council of Kansas City, Missouri by Ordinance No. 971274 on October 16, 1997 and was declared blighted and insanitary according to Missouri LCRA law. The URA provided for the development of a United States Post Office.

In addition to those incentive plans approved in the general geographic vicinity of the Study Area, a number of regional and local shopping centers located in Kansas City, north have been the recipient of public assistance. Those incentive areas and their respective shopping centers include the following:

Antioch Mall Tax Increment Financing Plan (TIF). Located approximately 5.5 miles south and east of the Study Area around the intersection of NE Vivion Road and NE Antioch Road, the TIF plan was approved by the City on March 23, 2006 by Ordinance No. 050833. A First Amendment to the TIF Plan was passed by Ordinance No. 071008 on September 25, 2008. And a Second Amendment was passed by Ordinance No. 090036 on January 29, 2009. The redevelopment area was found to be blighted, and the plan provides for the new construction of 231,000 square feet of retail space and some additional modifications to an existing 196,000 square feet of retail space on the mall property in Project 1, with additional redevelopment to be defined in nine other separate projects.

Shoal Creek Tax Increment Financing Plan (TIF). Located approximately 6.5 miles to the east of the Study Area in the vicinity of the intersection of Interstate 35 and Missouri Route 152, the TIF plan was approved by the City Council of Kansas City, Missouri by Ordinance No. 941443 on November 10, 1994. The First Amendment was approved by Ordinance No. 971310 on October 2, 1997; the Second Amendment approved by Ordinance No. 021283 on October 31, 2002; the Third Amendment approved by Ordinance No. 040457 on April 29, 2004; the Fourth Amendment approved by Ordinance No. 041218 on November 9, 2004; the Fifth Amendment approved by Ordinance No. 060903 on August 31, 2006; the Sixth Amendment approved by Committee Substitute for Ordinance No. 061320 on December 14, 2006; the Seventh Amendment approved by Ordinance No. 080419 on May 8, 2008; the Eighth Amendment approved by Ordinance No. 081118 on November 20, 2008; and the Ninth Amendment approved by Committee Substitute for Ordinance No. 090262 on April 16, 2009. The redevelopment area was approved as an economic development area and provides for the development of, among other uses, a newly constructed lifestyle destination retail center of 850,000 square feet. Ultimately the redevelopment plan will provide for 2,500 residential units and three to four million square feet of retail, office, and commercial space over 1,900 acres.

Zona Rosa Transportation Development District (TDD) and Public Improvement Advisory Committee (PIAC) Sales Tax Funding. Much of the street infrastructure at the

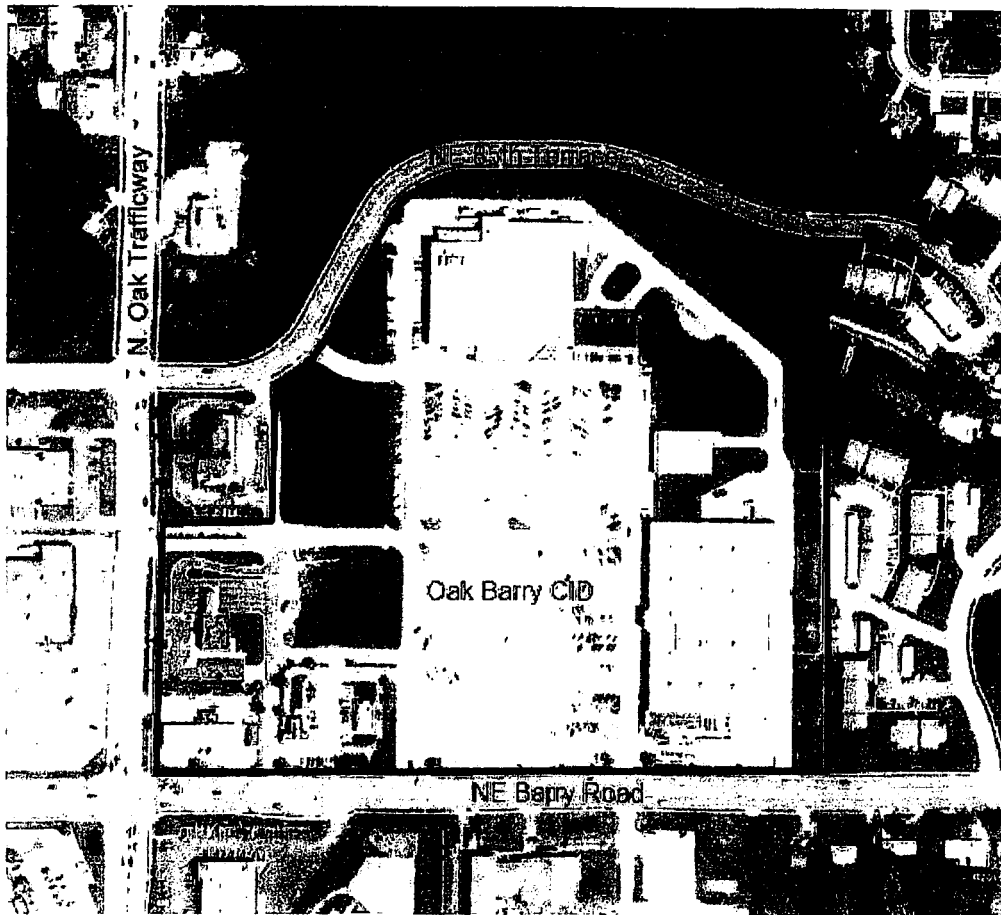
Zona Rosa town center has been financed with an additional sales tax imposed through the use of a transportation development district and sales tax revenue collected by the City for the purpose of constructing capital improvements. Zona Rosa is located approximately 4.5 miles west of the Study Area and consists of 925,000 square feet of retail space, 97,000 square feet of office space, and 75 residential units. The center opened in 2004.

**Legal Description**

The Study Area consists of nine (9) parcels. Specific legal descriptions of all parcels within the proposed community improvement district are included in Appendix A – Property Ownership & Legal Descriptions.

**Ownership**

The Study Area contains nine (9) property parcels. All of the parcels are identified by the Clay County Assessor’s office. No public right-of-way is included within the Study Area. A complete listing of the tax parcels identified by the Clay County Assessor is included in Appendix A.



Oak Barry Community Improvement District - Boundary Map

## PROPERTY DATA

### Location & Access

The Oak Barry Study Area encompasses approximately 27.8 acres and consists of nine (9) tax parcels in Kansas City, Missouri in the Gashland neighborhood.

General regional access to the Study Area is good, via access to Missouri Route 152 (east-west highway) approximately one mile north of the Study Area, access to U.S. Route 169 running north-south approximately one-half mile west of the Study Area, NE Barry Road running east-west along the southern edge of the Study Area, and North Oak Trafficway running north-south on the western edge of the Study Area. North Oak Trafficway and U.S. 169 both provide excellent access to Missouri Route 152 and Interstate 435 to the north, and Interstate 29 and Downtown Kansas City to the south. In addition, just to the north of the Study Area, Missouri Route 152 runs east-west between Interstate 435 and Route N south of Kansas City International Airport on the west and Missouri Route 291 in Liberty, Missouri on the east. Missouri Route 152 provides access to U.S. 169 and North Oak Trafficway via a full interchange.

Missouri Route 152 and U.S. Route 169 are recognized in the City's Major Street Plan (effective March 2008 and as revised per Ordinance No. 080204) as "Freeways/Interstates", while NE Barry Road and North Oak Trafficway are both identified in the City's Major Street Plan as a "Primary Arterial" and both provide direct access to the Study Area. NE Barry Road provides excellent linkages with the major development nodes in the City's Northland, including Shoal Creek and North Indiana Avenue to the east, and Route N, Interstate 29, and US 169 to the west. North Oak Trafficway provides excellent access between LP Cookingham Drive on the north and Downtown Kansas City on the south. No "Secondary Arterials" exist in or near the Study Area. Due to the access provided by U.S. 169, Missouri 152, NE Barry Road, and North Oak Trafficway, access to the Study Area is well served.

Local access to the Study Area is by way of a few local streets, including, as already mentioned, NE Barry Road and North Oak Trafficway. Another local street that provides access to the Study Area is NE 85<sup>th</sup> Terrace, located on the northern edge of the Study Area.

The Bike KC Plan contains a proposed bike route on the western edge of the Study Area on North Oak Trafficway and on the southern edge of the Study Area on NE Barry Road. A bike route does currently exist north of 88<sup>th</sup> Street on North Oak Trafficway, a few blocks north of the Study Area, and that same bike route continues to the east and heads south before crossing NE Barry Road at Virginia, a few blocks east of the Study Area. Pedestrian access is very good, with sidewalks adjacent to the Study Area in public right-of-way on the northern, western, and southern edges of the Study Area in the public right-of-way.

Public transit is well-served with three routes serving the Oak Barry area, including Routes 37 (Gladstone), 137 (Metro North/Antioch Connector), and 142 (North Oak). All three routes run north-south on North Oak Trafficway along the western edge of the Study Area, and Route 137 also runs east-west on NE Barry Road along the southern edge of the Study Area. Routes 137 and 142 serve the area Monday through Saturday, and Route 37 serves the area Monday through Friday.

#### **Land Area**

There are a total of nine (9) property parcels within the Study Area. According to calculations from city GIS maps, the Study Area contains a total of approximately 27.8 acres, or an average of 3.08 acres per parcel.

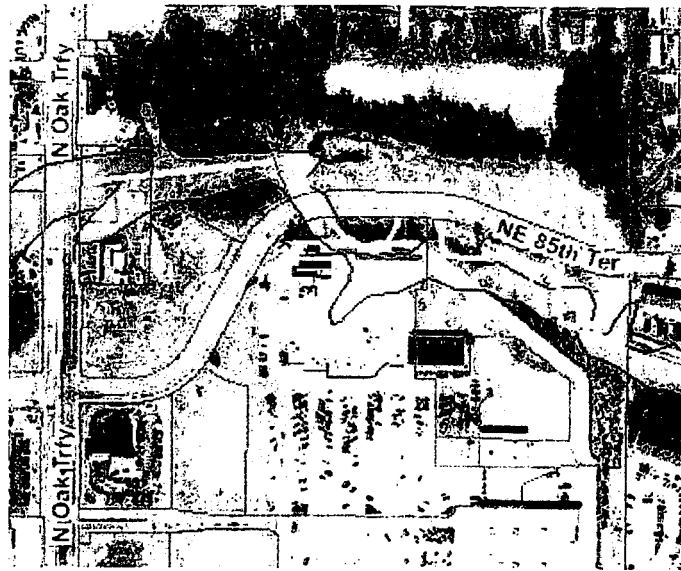
#### **Topography**

The City's GIS maps illustrate topography in the area generally slopes downward from west to east and gradually downward from south to north to the edge of the service drive, where on the northeastern portion of the site the topography then drops rapidly downhill. The highest point in the Study Area is located near the intersection of NE Barry Road and N. Oak Trafficway at Kansas City datum 1003.51. The lowest point in the Study Area is located at the northeastern corner of the site at the bottom of the hill at Kansas City datum 944.7.

The difference in elevation between the northern and southern boundaries of the Study Area is approximately thirteen (13) feet on the west, eight (8) feet in the center, and approximately forty-seven (47) feet on the east. Of the nine (9) parcels within the Study Area, six (6) are developed within Kansas City datum 980 to 990, and three (3) of the parcels located in the southwestern corner of the Study Area are developed between Kansas City datum 990 and 1005. The eastern edge of the service drive located behind most of the retail buildings in the eastern half of the Study Area is at Kansas City datum 980. A hill in the northeastern corner of the Study Area drops to Kansas City datum 944.7, the lowest point in the Study Area.

According to maps from the Federal Emergency Management Agency (FEMA) and a survey of the Study Area provided by the property owners, a portion of the Study Area is located in a 100-year flood plain, as indicated in the Flood Insurance Rate Map included in Appendix E – Supplemental Information. The Study Area is located within the Upper Shoal Creek watershed. An image of the City's GIS mapping of the 100-year flood plain within the Study Area is included below, which indicates the northern edge of the Study Area, and a sizable portion of that area underneath the grocery store, is included within the 500-year flood plain:





Source: City of Kansas City GIS Mapping

**Easements**

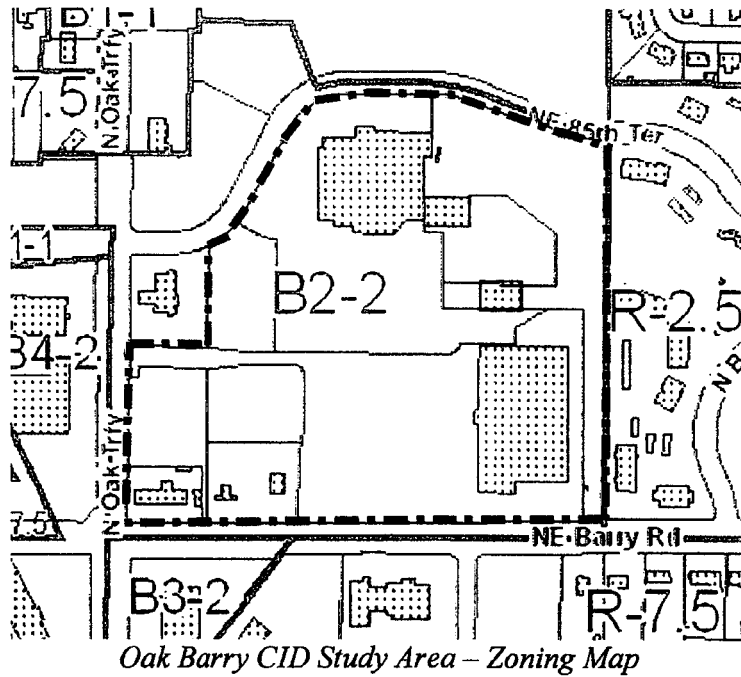
Sterrett Urban was not provided with a title report that encompasses the Study Area, but was provided with a survey that had been completed in July 1994. Analysis of the survey did not reveal any easements or other restrictions that would negatively impact the Study Area.

**Utilities**

All utilities are available to the subject properties within the Study Area including water, sewers, natural gas, and power.

**Zoning**

The existing zoning in the Study Area is B2-2. Below is a map illustrating the B2-2 zoning district within the Study Area and a chart summarizing the B2-2 zoning classification:



**Zoning Classification**

**B2-2 Neighborhood Business 2**

**Purpose\***

The primary purpose of the B2, Neighborhood Business 2 district is to accommodate small-to moderate-scale retail and service uses that serve the day-to-day convenience needs of nearby residents as well as a the occasional needs of residents within a larger trade area. The primary difference between the B1 and B2 districts is that B2 permits a broader range of uses and businesses with a larger floor area.

\*Kansas City Zoning & Development Code

The City of Kansas City, Missouri approved a new Zoning and Development Code on May 21, 2009 by Ordinance No. 081033. The new code became mandatory on January 1, 2011. The zoning district noted above is part of the new code.

**Environmental**

No separate environmental assessments were conducted as part of this Study and the Consultant was not provided any environmental assessments to review.

**Real Estate Taxes**

A five-year history of the assessed values within the Study Area is included in the appendix.

The data in Appendix B is the Assessor's opinion of Market Value and the resulting assessed value for each of the properties within the Study Area. All property is supposed to be re-assessed in odd-numbered years, except that new construction (including remodeling) can be assessed in any year.

To determine assessed value the assessment ratio for commercial properties is 32%. The real estate levy for 2010 in the Study Area is \$6.6184 per \$100 of assessed valuation for improvements, and \$7.3684 per \$100 of assessed valuation for land. An additional \$1.437 per \$100 is assessed on commercial property only (the Merchants and Manufacturers replacement tax). For 2010, the Study Area generated \$3,008,110 in taxable assessed value, generating a total of \$259,430 in real estate taxes.

### **Existing Improvements**

The consultant inspected the entire site and some of the building interiors within the Study Area, namely the interior of the grocery store, the K-Mart retail store, and the vacant retail building north of K-Mart. In addition the consultant accessed and inspected the roof of two (2) of the buildings – the grocery store and the K-Mart retail store – and from the vantage point of those two roofs was able to look at, but not inspect, the roofs of the vacant retail building north of K-Mart and the small retail building east of and adjacent to the grocery store.

The Study Area consists of a shopping center with nine (9) property parcels upon which eight (8) retail, quick service restaurant, and gas station buildings have been constructed. Two (2) parcels within the development remain vacant and have never been developed. The total land area of the development is approximately 27.8 acres, and is generally bounded by NE Barry Road on the south, N. Oak Trafficway on the west, and NE 85<sup>th</sup> Terrace on the north. A multifamily residential development borders the shopping center to the east.

The development has taken place in phases, largely between 1984 and 1999, with a bank (still unoccupied) having been built the most recently in 2009 at 8405 N. Oak Trafficway on the western edge of the Study Area. As illustrated in the aerial below, the gas station located at the corner of N. Oak Trafficway and NE Barry Road and the K-Mart retail store were developed initially with primary access to the site from NE Barry Road on the south and N. Oak Trafficway on the west. NE 85<sup>th</sup> Terrace did not exist in 1990, and in fact a stream that flows to the east to Shoal Creek and a low-lying area existed north of the N. Oak Trafficway entrance and the K-Mart retail building.



An analysis of the 1994 survey conducted by Lutjen and the City's GIS mapping indicates the stream continues to exist below the fill that was placed on-site. The Lutjen survey indicates a small portion of the grocery store falls within the 100-year flood plain, and the City's GIS mapping indicates a very small portion of the stream, but a significant portion of the 500-year flood plain (not shown on the FEMA map), exists beneath the grocery store. While flooding may not be a problem for the grocery store and other site improvements constructed on fill on the northern edge of the Study Area, there is evidence that the fill/hill on the northern edge of the site is sliding to the north toward NE 85<sup>th</sup> Terrace. The fence, retaining wall, and service drive, in addition possibly to the floor of the grocery store, exhibit damage that indicates movement of the ground beneath those improvements.

The center is anchored by the discount retailer K-Mart and a Price Chopper grocery store. The K-Mart store is located at the southeastern corner of the Study Area and consists of a one-story concrete block building of 86,479 square feet that was constructed in 1984. A fenced outside storage area that is associated with an indoor garden center is located on the south side of the building. The roof is a multi-ply built-up roof with roll asphalt surface that is approximately fourteen years old. The Price Chopper grocery store is the second oldest major retailer constructed on the site, built in 1991, and is located at the north central edge of the Study Area just south of NE 85<sup>th</sup> Terrace. The building is a one-story concrete block building of 69,998 square feet. It has the same type of roof as the K-Mart store and is twelve years old.

The assessed value of the K-Mart retail building has dropped more than 8% over the past four years, second in the shopping center only to the gas station, and the value of the land has been assessed at a significantly higher multiple of the building improvements, indicating an underperforming, deteriorating property. The assessed value of the grocery store has also dropped, by almost one-half of one percent over the past four years.

The gas station and convenience store, located at the corner of N. Oak Trafficway and NE Barry Road at the southwest corner of the Study Area (8401 N. Oak Trafficway), consists of a canopy over six fueling stations (twelve pumps) – four on the west side of the store and two on the east side of the property – and a one-story concrete block store of 1,806 square feet. A car wash is located on the eastern edge of the property and is a one-story, 759 square foot frame building. A small one-story storage shed of 290 square feet is located on the northeastern edge of the property. The parcel was developed prior to 1990. The size of the store is small compared to today's standards, and the property has experienced the most severe decline in market value relative to the rest of the shopping center according to the Clay County assessor.

Adjacent to and east of the gas station property is a property with two quick service restaurants, both with drive-through access – Friendly Bean Coffee and Taco Bell. The Coffee shop consists of a one-story frame building of 827 square feet. The Taco Bell, which has recently undergone some improvements, primarily to its drive-through, consists of a one-story frame building of 2,060 square feet. The total assessed value of the property has remained constant for the past four years.

Immediately north of the two quick service restaurants are two separate vacant parcels upon which nothing has ever been developed. The two lots are both well maintained and marketed as sites for retail development. The northern lot has been planned with a 12,800 square foot building, and the southern lot with a 9,600 square foot building. The assessed values for both properties has remained constant over the past four years.

Immediately north of the gas station development is a recently developed parcel consisting of a 3,490 square foot bank with drive-through. Although completed in 2009 the building remains unoccupied, although the Consultant understands the tenant, Citizens Bank, is paying rent. Having been recently improved, the property is in excellent condition and as a result its assessed value is quite high relative to the remainder of the shopping center. The combined assessed value of the other eight properties within the shopping center has declined over the past four years.

The only other parcel within the Study Area that has been developed is located in the northeastern corner of the shopping center and consists of the vacant one-story precast concrete retail building of 8,000 square feet north of K-Mart, and a one-story precast concrete retail building of 7,930 square feet adjacent to and east of the Price Chopper grocery store. The latter is occupied by Dollar Tree and H&R Block. Recent plans had called for additional small retail building development of 40,870 square feet that would include an expansion of the grocery store of 15,000 square feet and a 24,000 square foot space for a hardware store. The assessed value of the small retail property has increased just 0.9% over the past four years.

The ninth parcel consists of vacant land between the small retail buildings and a small portion of surface parking. The parcel has experienced a very small increase of 0.1% of its assessed value over the course of the past four years.

Of the 181,470 square feet of leasable space in the center, 6.3% is vacant. The site in its current configuration, however, could also accommodate another 63,270 square feet, thereby increasing the amount of leasable square footage by more than one-third.

The most recent redevelopment plan provided to the Consultant, dated May 3, 2011, calls for the razing of the Price Chopper grocery store and the existing small retail and constructing a new grocery store and small retail totaling 131,344 square feet for a total of 226,008 square feet of leasable space within the shopping center. The layout of the new plan is designed to drive more traffic to both of the anchors and all of the small retail.

The most common blighting factors observed in the Study Area included the following:

- **Deteriorating Site Improvements.** Due to the age of some improvements and movement of ground below some improvements within the Study Area, significant site improvement deterioration and some building deterioration has occurred throughout the Study Area.
  
- **Economic Liability/Underutilization.** Due to the physical layout of the facilities and the age of improvements, and lack of development within the Study Area, the Study Area represents an economic liability or an economic underutilization to itself and the surrounding areas.

### **Billboards**

There are no billboards located within the Planning Area.

## Gashland Neighborhood

### Location & Access

The Gashland neighborhood is generally bounded by NE Barry Road on the south, North Oak Trafficway and N. Woodland Avenue on the west, NE 96<sup>th</sup> Street and NE 100<sup>th</sup> Street on the north, and N. Indiana on the east. The neighborhood enjoys excellent access to the regional highway system and the local and regional network of streets.

The main entryways into Gashland include NE Barry Road and North Oak Trafficway that border the Study Area, as well as Maplewoods Parkway and N. Woodland Avenue, Missouri Highway 152, and N. Indiana Avenue. Gashland is bordered to the west by Sherrydale neighborhood, and to the southwest by Jefferson Highlands neighborhood. To the south is Ridgefield neighborhood, and to the southeast, east, and northeast is the Shoal Creek neighborhood. To the north and northwest are the New Mark and Meadowbrook Heights neighborhoods. Access to and from these adjoining neighborhoods is relatively easy by vehicle.

### Neighborhood Demographics

#### Population

The following provides population and income trends within a one, three, and five mile radius of the Study Area at the intersection of North Oak Trafficway and NE Barry Road.

N Oak Tfwy & NE Barry Rd Radius	Historical Population			Projected
	1990	2000	2010	2015
<b>One Mile</b>	6,738	7,849	8,459	9,249
decennial chg. (1 mile)		+16.5%	+7.8%	+9.3%
chg. from '90 (1 mile)		+16.5%	+25.5%	+37.3%
<b>Three Mile</b>	39,504	47,980	57,859	63,675
decennial chg. (3 mile)		+21.5%	+20.6%	+10.1%
chg. from '90 (3 mile)		+21.5%	+46.5%	+61.2%
<b>Five Mile</b>	91,356	110,305	127,677	139,344
decennial chg. (5 mile)		+20.7%	+15.7%	+9.1%
chg. from '90 (5 mile)		+20.7%	+39.8%	+52.5%

Source: ESRI

N Oak Tfwy & NE Barry Rd Radius	Historical Median Household Income			Projected
	1990	2000	2010	2015
<b>One Mile</b>	39,800	55,143	69,928	78,350
decennial chg. (1 mile)		+38.6%	+26.8%	+12.0%
chg. from '90 (1 mile)		+38.6%	+75.7%	+96.9%
<b>Three Mile</b>	38,305	50,849	65,402	74,874
decennial chg. (3 mile)		+32.7%	+28.6%	+14.5%
chg. from '90 (3 mile)		+32.7%	+70.7%	+95.5%
<b>Five Mile</b>	37,435	51,156	65,296	74,627
decennial chg. (5 mile)		+36.7%	+27.6%	+14.3%
chg. from '90 (5 mile)		+36.7%	+74.4%	+99.4%

Source: ESRI

The population figures indicate tremendous population growth in the Gashland neighborhood and surrounding areas over the past twenty years. The gain in population between 1990 and 2010 was between 25.5% and 46.5%, faster than the rate at which the City of Kansas City grew over the same time period.

Median household income increased between 70.7% and 75.7% between 1990 and 2010. The median household income for the one-mile radius around the subject Study Area was 28.3% higher than the estimate for the Kansas City metropolitan area in 2010 (\$69,928 vs. \$54,521). The ESRI forecast for 2015 suggests continued gains in population (between 9.1% and 10.1%) for the Gashland neighborhood and surrounding areas.

The most recent unemployment data for the Planning Area is for the City of Kansas City, Missouri as a whole. The following data was provided by the Mid-America Regional Council (MARC):

Civilian Labor Force – Kansas City, Missouri  
March 2011

Labor Force	Labor Force Employed	Labor Force Unemployed	Percentage Unemployed
229,792	207,737	22,055	9.6%

Source: Mid-America Regional Council

According to the Bureau of Labor Statistics, the preliminary unemployment rate for the Kansas City, KS/MO metropolitan area in May 2011 was 8.4%.



The most recent unemployment data for the one mile radius from the intersection of North Oak Trafficway and NE Barry Road that includes the Study Area is from the 2000 Census. The data is summarized as follows:

Civilian Labor Force – North Oak Trafficway & NE Barry Road  
2000 Census

<b>Radius</b>	<b>Labor Force</b>	<b>Labor Force Employed</b>	<b>Labor Force Unemployed</b>	<b>Percentage Unemployed</b>
<b>One Mile</b>	3,791	3,620	140	3.7%
<b>Three Mile</b>	23,269	22,419	767	3.3%
<b>Five Mile</b>	53,307	51,125	1,980	3.7%

Source: ESRI

The total unemployment rate in 2000 in the Study Area and adjacent area, ranging between 3.3% and 3.7%, was higher than the rate in Clay County, Missouri (2.4%) and lower than the rate in Kansas City, Missouri (3.8%). According to the Mid-America Regional Council, an unemployment rate of 4.0% can generally be considered “full employment.”

## **Section II**

### **Blight Analysis**

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#### **Blight Defined**

As presented in Section I, blight is defined as follows:

“Blighted area”, an area which:

- (a) 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; or
- (b) Has been declared blighted or found to be a blighted area pursuant to Missouri law including, but not limited to, chapter 353, sections 99.800 to 99.865, or sections 99.300 to 99.715. (67.1401, RSMo.)

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 underutilization 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).

### **Component 1: Defective or Inadequate Street Layout**

Conditions typically associated with defective or inadequate street layout include poor vehicular access and/or internal circulation; substandard driveway definition and parking layout (e.g. lack of curb cuts, awkward entrance and exit points); offset or irregular intersections; and substandard or nonexistent pedestrian circulation.

During several on-site investigations and field surveys, no one condition was found to exist in the Study Area. Of the nine (9) parcels contained within the Study Area zero (0) exhibit defective or inadequate street layout.

The Study Area has good automobile and pedestrian access and linkage to surrounding areas, including public transit.

### **Component 2: Improper Subdivision or Obsolete Platting**

There are specific conditions that can be used to determine whether a Study Area is blighted based on improper subdivision or obsolete platting. Among these conditions are faulty lot shape and/or layout, inadequate lot size, poor access, as well as conformity of use. On-site investigations and field surveys, and review of public records suggest these conditions do not exist in the Study Area.

Lot layout is deemed to be faulty if the configuration relative to the street is contrary to what is desired for development. Lot shape is considered faulty if the shape is unusual to an extent that it

deters or constrains development options. The Planning Area is comprised of nine (9) separate parcels, all of which are under the same ownership.

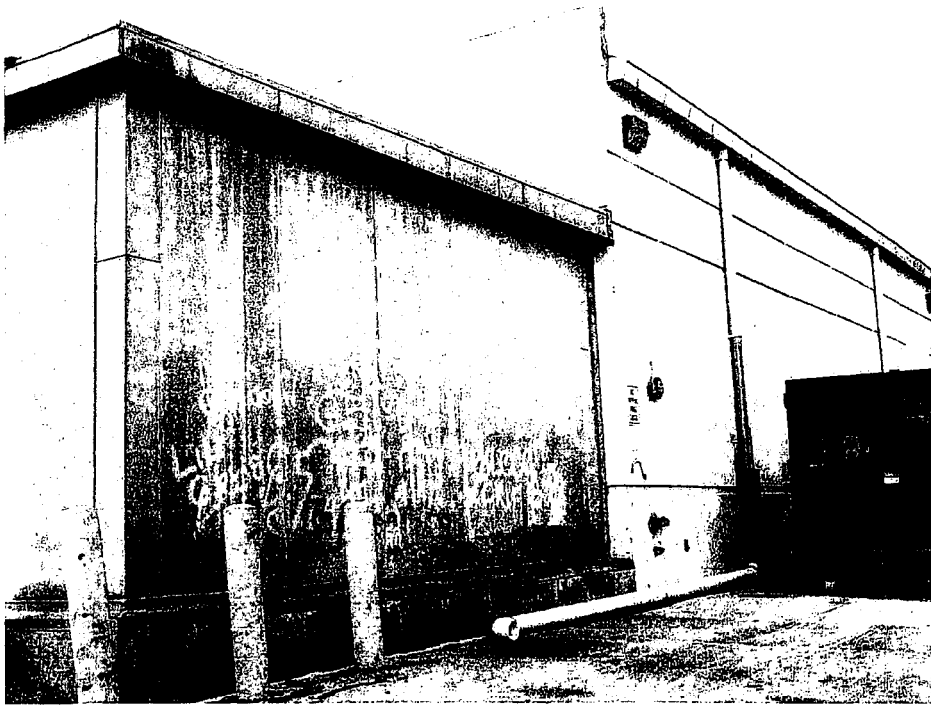
Of the nine (9) parcels contained within the Study Area zero (0) exhibit improper subdivision or obsolete platting.

### **Component 3: Insanitary or Unsafe Conditions**

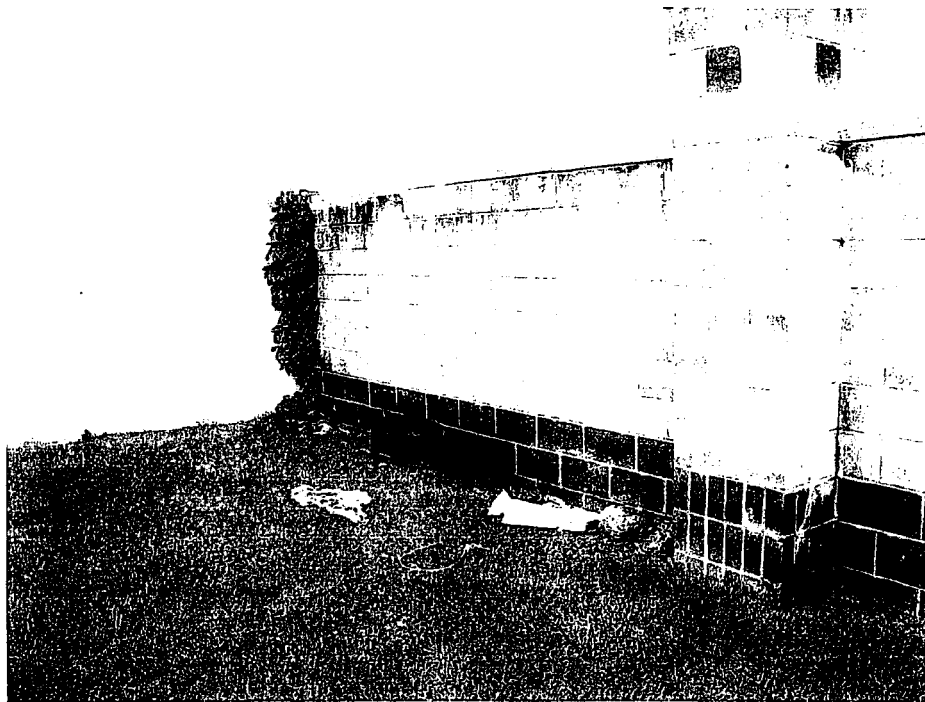
There are a few locations within the Study Area exhibiting unsafe or insanitary conditions. The most prevalent Study Area conditions considered unsafe or insanitary include forms of vandalism or vagrant activity, primarily on the eastern and northern facades of those retail buildings located on the eastern half of the Study Area. There are a few minor instances of trash/debris located throughout the Study Area and are primarily located in service areas. There were a few instances in the southwestern portion of the Study Area in which dangerous tripping hazards were present, including exposed steel reinforcing bar and conduit present with landscaping timbers or concrete bases. In addition sidewalks and curbs throughout the Study Area were generally in fair to good condition, although there were instances of sidewalks and curbs either cracked, uneven, or crumbling. Also prevalent throughout the Study Area was noncompliance with ADA codes, including curb ramps where handicapped access had not been built to code.

No separate environmental assessments were done for this Blight Study. Due to water infiltration in some of the structures, it may be reasonable to expect that there would be mold in the Study Area, particularly inside several of the buildings, however no mold was observed during the field inspection.

Examples of this condition are shown below and detailed in the field inventory. Of the nine (9) parcels surveyed in the Study Area five (5) exhibited insanitary or unsafe conditions. Of the 1,208,876 square feet contained in the Study Area, 81.4%, or square feet of property, exhibited this condition. Most of the properties that exhibited this condition did so due to the presence of vandalism/graffiti, cracked/crumbling sidewalks and curbs, and noncompliance with ADA codes.



*500 NE Barry Road – Graffiti; storm drainage across driveway; failure of finishes; damaged bollards*



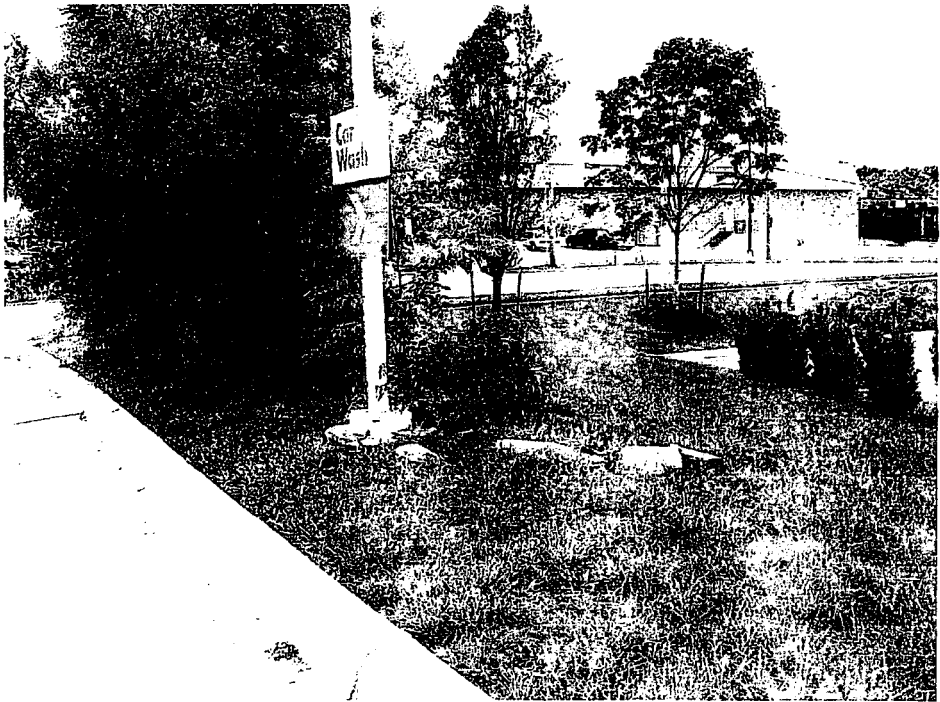
*No Address – Trash; overgrown vegetation; paint over graffiti; deteriorating wall*



*500 NE Barry Road – Trash/debris; weeds; deterioration of fence; unscreened trash dumpster*



*420 NE Barry Road – Concrete bases with exposed steel rebar and conduit; deterioration of outdoor seating area*



*8401 N. Oak Trafficway – Overgrown vegetation and debris*

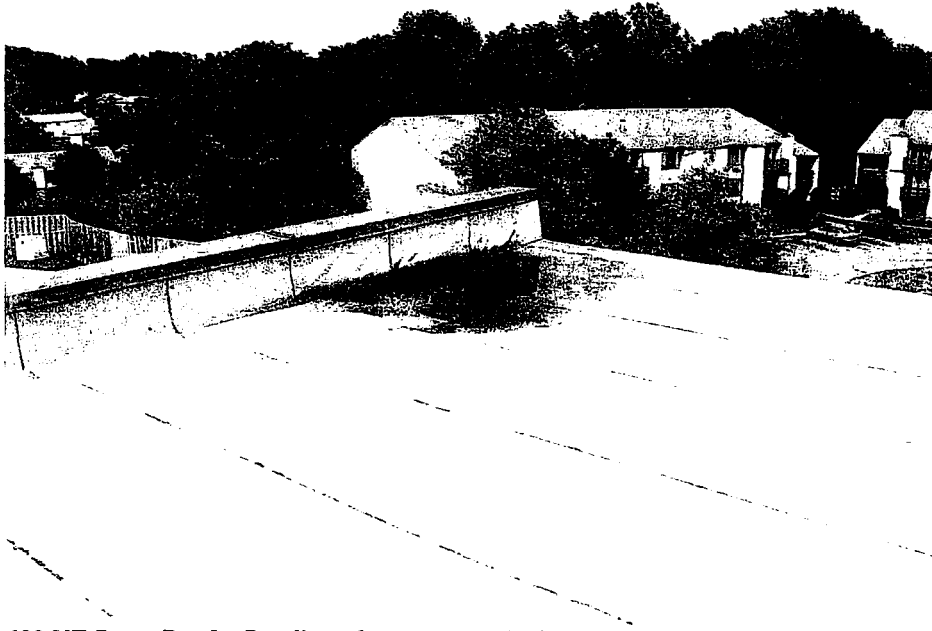
#### **Component 4: Deterioration of Site Improvements**

The condition of deterioration of site improvements was primarily established through field survey work and observation of exterior and interior physical conditions among the nine (9) parcels within the Study Area. Not every building interior within the Study Area was inspected. Only those interiors of the vacant retail building, the Price Chopper grocery store, and the K-Mart retail store were inspected. Building deterioration rating criteria considered included the following: primary structure (roof, walls, foundation); secondary structure (fascia/soffits, gutters/downspouts, exterior finishes, windows and doors, stairways/fire escapes); and exterior structure (mechanical equipment, loading areas, fences/walls/gates, other structures).

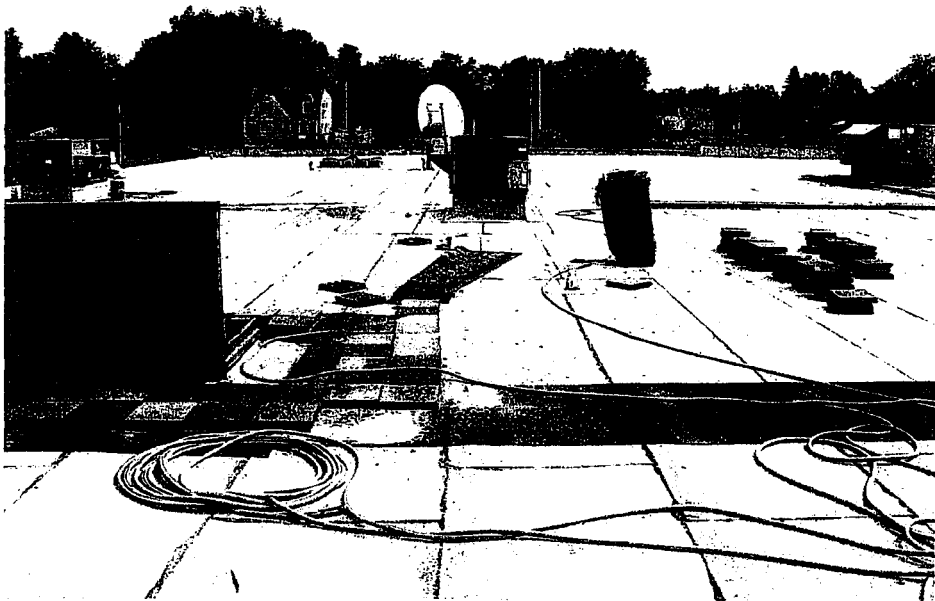
Structural deterioration is most commonly found on the oldest structures within the Study Area, namely the grocery store, K-Mart retail store, and the gas station/convenience store. The most common examples of structural deterioration found in the Study Area involved the need for roof repairs or replacement and failure of exterior finishes. Examples of properties affected by structural deterioration in the Study Area are shown in the photos below and/or noted in the field inventory.

The need for replacement or repair of the roof was most prevalent at the building occupied by K-Mart at 500 NE Barry Road and at the Price Chopper grocery store located at 600 NE Barry Road. Degradation of the roof was visible at both locations, with multiple soft spots, chalking and other roof debris, and ridging caused by contraction/expansion of the roof surface. The roof at the K-Mart building also had quite a bit of standing water after precipitation had fallen more than 36 hours prior, and the paver walking system that had been installed on the K-Mart roof was also showing visible signs of deterioration with debris scattered over much of the roof. Water damage was highly visible in the K-Mart building, most notably along sprinkler lines and HVAC vent locations, as well as along the eastern wall of the building directly underneath much of the standing water on the roof. Property management indicated water leaks had also been a problem, though less so than at K-Mart, in the grocery store. Damage was less visible and harder to see due to the exposed open joist roof structure and lack of dropped ceiling. Minor water damage was present in the vacant retail building. The roof at the grocery store is twelve years old and the roof at the K-Mart is fourteen years old. Both roofs are a built-up multi-ply system with rolled asphalt on the top surface, layed out in sheets three feet wide. The roofs of the small retail buildings are original to the building and twelve to fifteen years old. All of the roofs on the retail buildings at the eastern half of the Study Area are approaching or have passed their life expectancy.

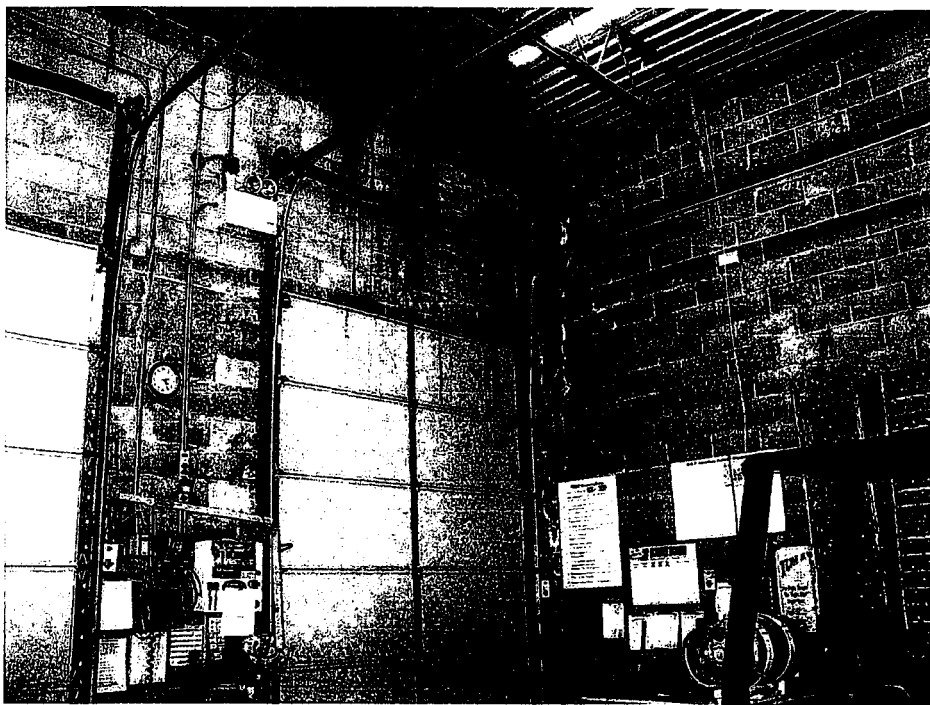




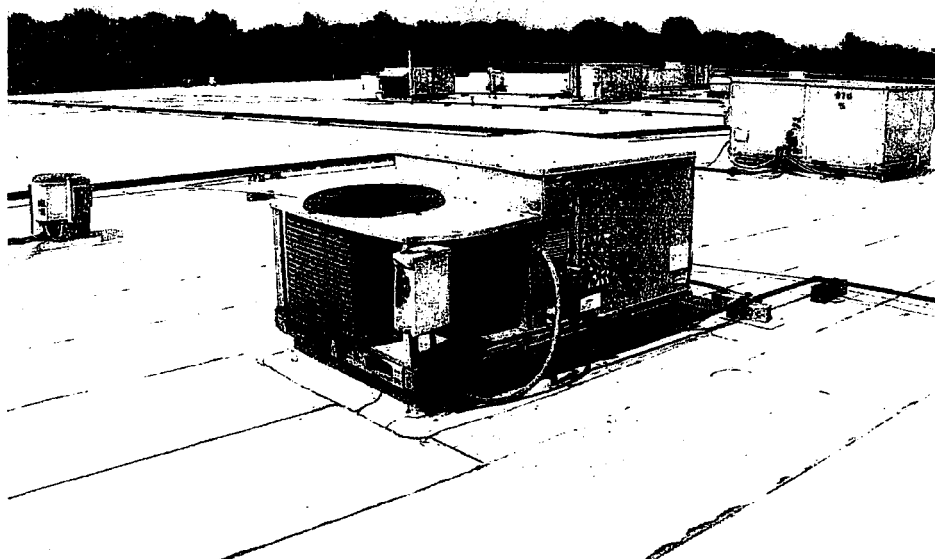
*600 NE Barry Road – Ponding of water on roof; chalking; presence of bubbles*



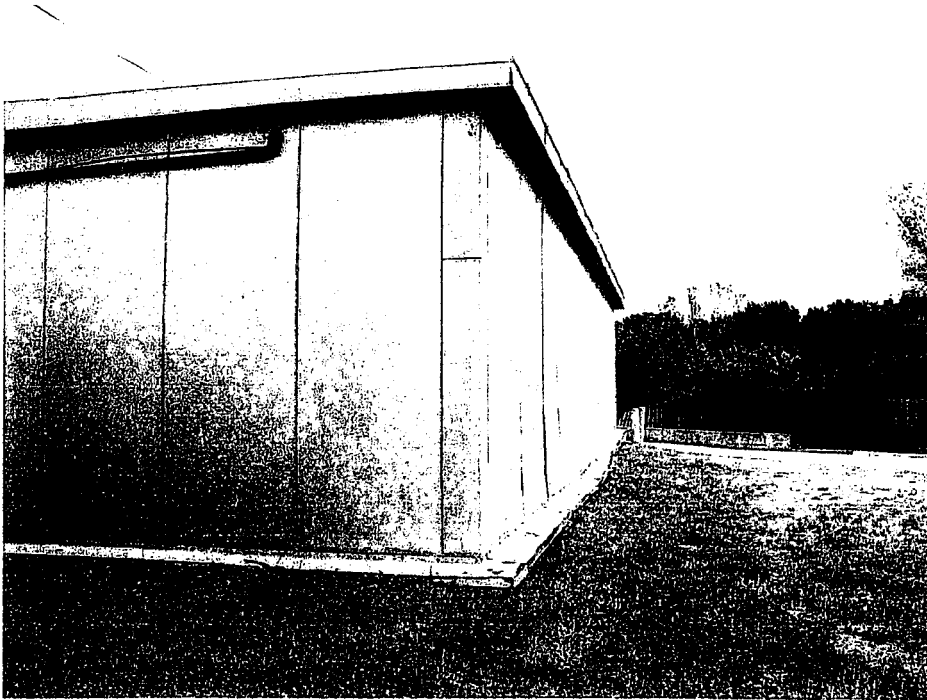
*600 NE Barry Road – Deterioration of roof and pavers; debris; standing water; evidence of ridging*



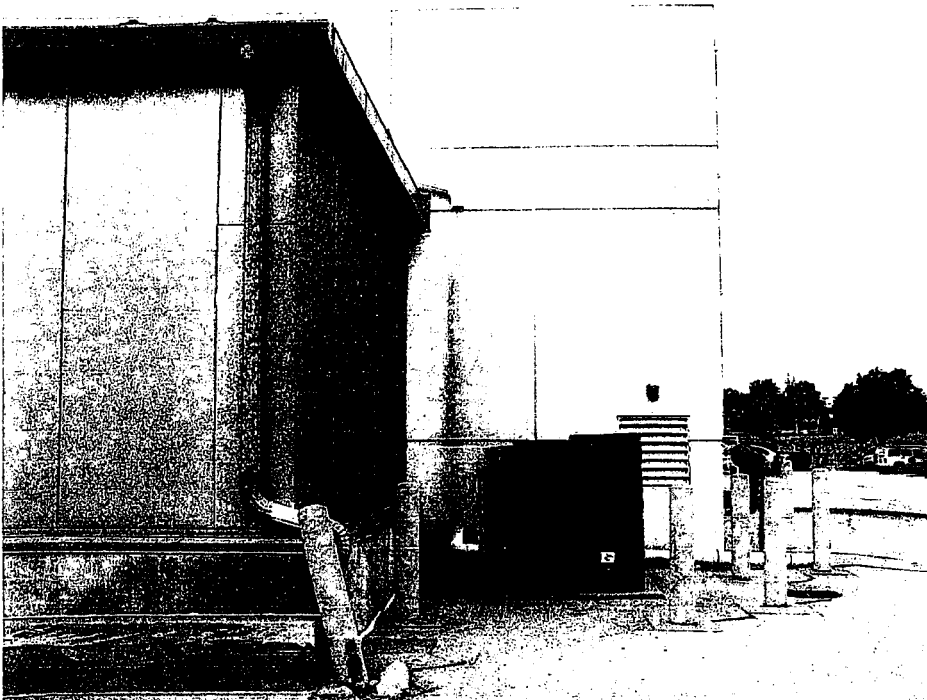
*600 NE Barry Road – evidence of water damage caused by leaking roof at eastern wall of building (underneath standing water)*



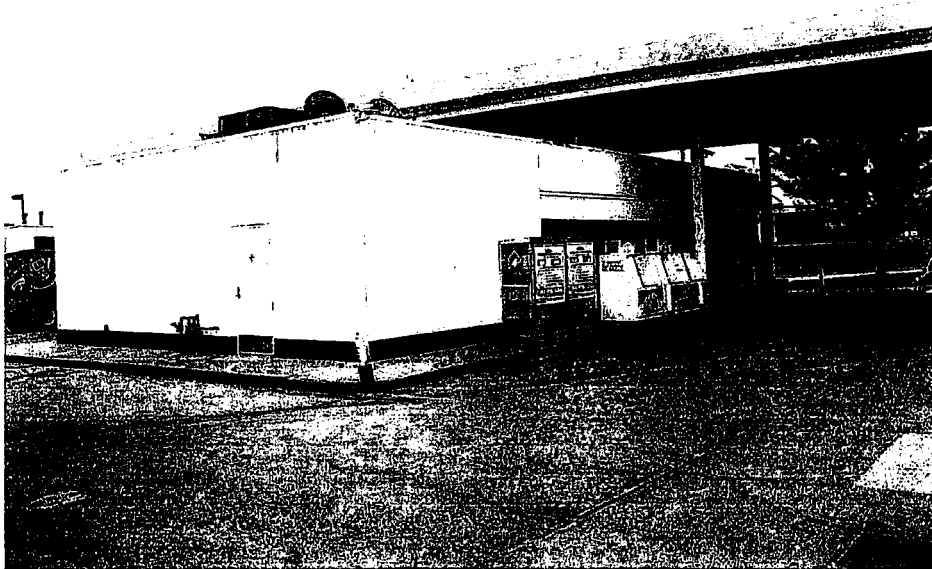
*500 NE Barry Road – deterioration of equipment; ridging and degradation of roof surface; multitude of soft spots indicating water infiltration*



*500 NE Barry Road – Bowing of freezer wall on east side of grocery store*



*500 NE Barry Road – Missing downspout; failure of finishes; damaged bollards*



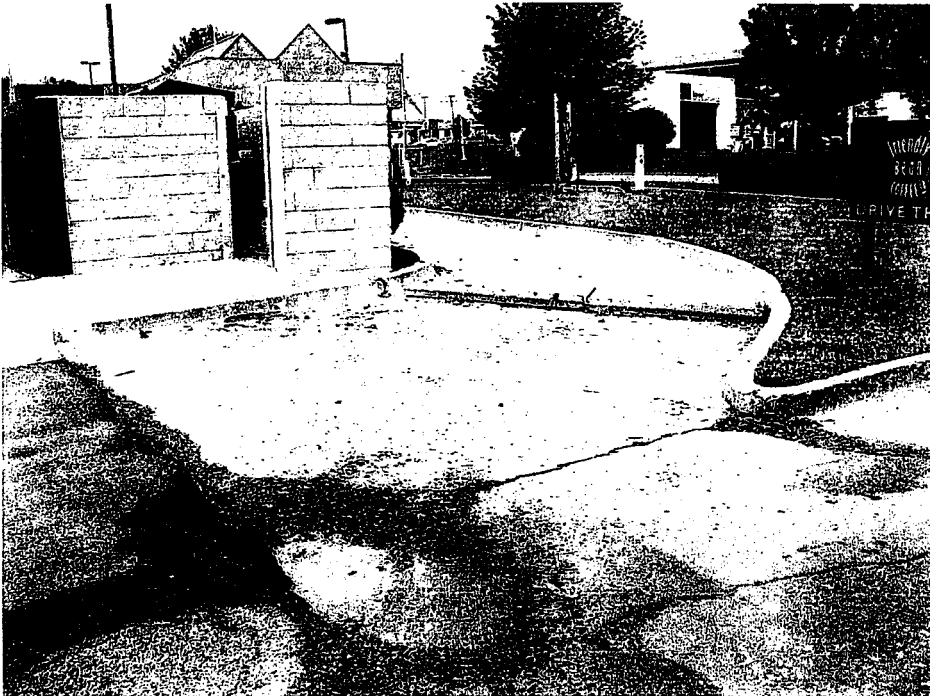
*8401 N. Oak Trafficway – Failure of finishes (west and north facades)*

In addition to structural deterioration, a variety of blight conditions were observed within the Study Area related to the deterioration of the site and non-primary improvements. These conditions which negatively affect the appearance and utilization of the area, most commonly include parking surface/driveway deterioration. Several sites were found to suffer from general site neglect and site maintenance problems.

As noted earlier, some deterioration of site improvements along the top of the hill may be due to unstabilized earth. Damage to the fence along the service drive has also been caused by people accessing the shopping center from the north via the hill south of NE 85<sup>th</sup> Terrace. Shopping carts and other trash/debris can be found on the hill as a result, and on at least one occasion in the past was inhabited by transients. Examples of site deterioration problems are found throughout the Study Area, as shown in the photographs below and detailed in the field inventory.



*8405 N. Oak Trafficway – Deterioration of driveway; trash*



*420 NE Barry Road – deterioration of driveway and parking surface*



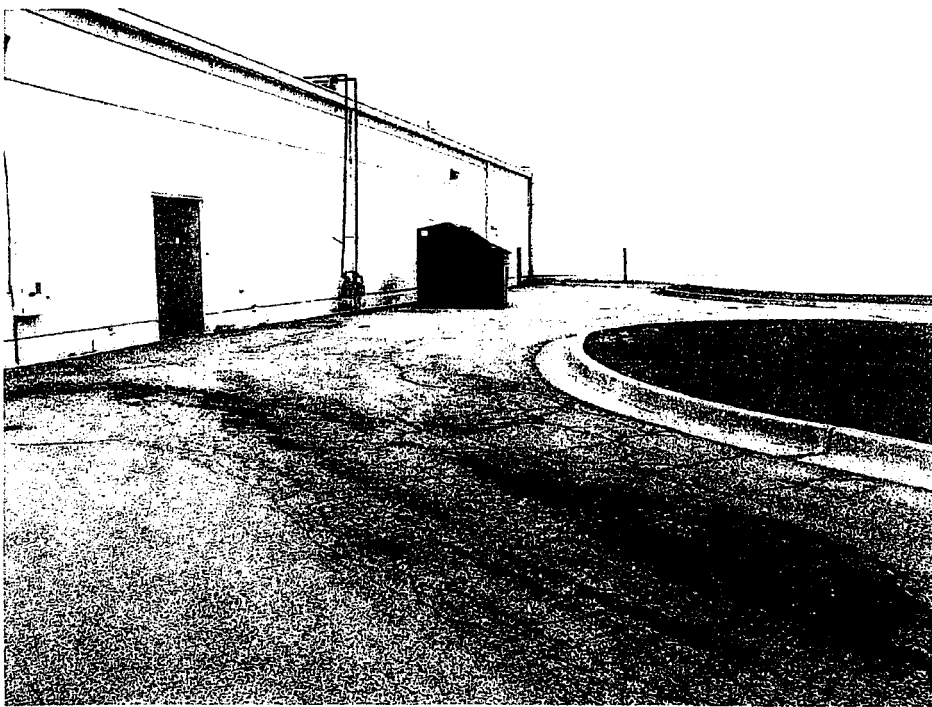
*8401 N. Oak Trafficway – Deterioration of gates, walls; failure of finishes*



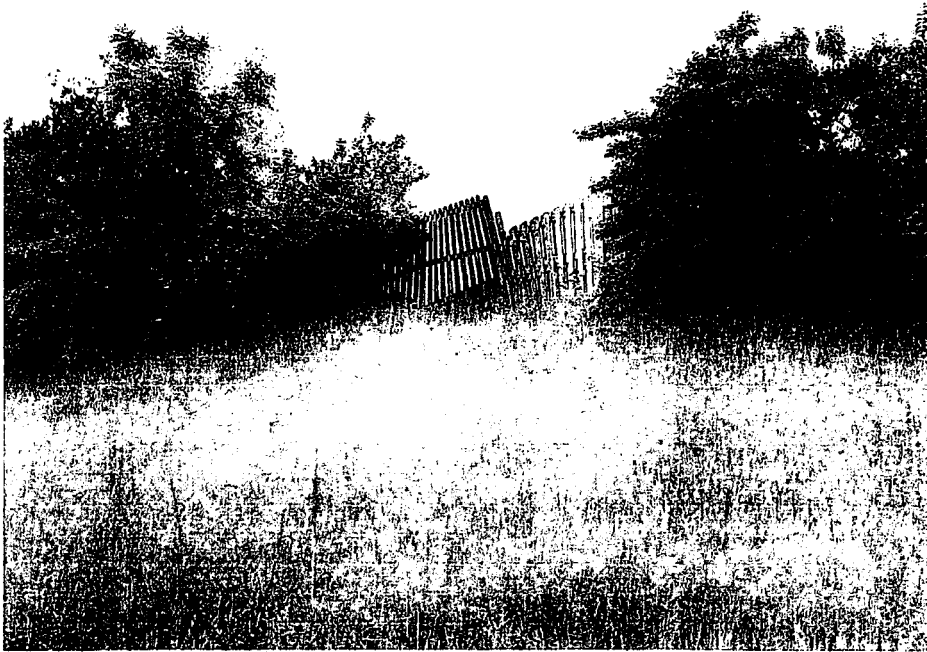
*700 NE Barry Road – Deterioration of parking surface*



*600 NE Barry Road – Deterioration of parking surface*



*700 NE Barry Road – Deterioration of parking surface; unscreened trash area*



*700 NE Barry Road – Deterioration of fence at top of hill*

Altogether, of the nine (9) parcels surveyed in the Study Area eight (8) exhibited deterioration of site improvements. Of the 1,208,876 square feet contained in the Study Area, 95.5%, or 1,153,964 square feet of property, exhibited this condition to varying degrees. Most of the properties that satisfied this condition did so due to the deterioration of roofs, failing of exterior finishes, as well as the deterioration of fences/walls/gates and parking surfaces.

#### **Component 5: Existence of Conditions which Endanger Life or Property by Fire and Other Causes**

Fire safety information pertaining to the parcels in the Study Area was not gathered for this Blight Study as the data was not available.

Interviews with shopping center management and a review of recent crime data indicate that the only consistent crime on the property is vandalism. As evidenced by some of the earlier photos and as noted in the field ledger graffiti continues to be a problem, particularly on the east and north sides of those retail buildings that are located on the eastern half of the shopping center and are out of sight of traffic.

Thus conditions are not believed to exist that endanger life or property by fire and other causes within the Study Area.



**Summary of Blighting Factors**

The following table summarizes the five blighting factors analyzed during inspections of property within the Study Area. As noted above, fire data for the Study Area is unavailable, and crime data was available only for the area as a whole and not for each individual property.

**Oak Barry CID**

Summary of Blighting Factors

Study Area	Parcels	Pct.	Area (sq. ft.)	Pct.
Total	9	100%	1,208,876	100%
<b><u>Blighting Factors</u></b>				
Defective or inadequate street layout	0	0.0%	0	0.0%
Improper subdivision or obsolete platting	0	0.0%	0	0.0%
Insanitary or unsafe conditions	5	55.5%	984,034	81.4%
Deterioration of site improvements	8	88.9%	1,153,964	95.5%
Existence of conditions which endanger life or property by fire and other causes	NA	NA	NA	NA
Parcels with at least one blighting factor	8	88.9%	1,153,964	95.5%
Parcels with no blighting factors	1	11.1%	54,912	4.5%
Parcels with a predominance of blight factors	3	33.3%	724,914	60.0%

As evidenced from the table above, more than 50% of the redevelopment area satisfies the blighting factors of “Insanitary or unsafe conditions” and “Deterioration of site improvements”. In addition, the percentage of the study area that has at least one blighting factor is 95.5%. However, although eight (8) of the nine (9) properties had at least one blighting factor present, only three (3) properties were deemed to exhibit blighting factors on a predominance of the property. Of the 1,208,876 square feet contained in the Study Area, 60.0%, or 724,914 square feet of property, were found to have a predominance of blighting factors present, usually due to the presence of a combination of several of the blighting factors.

**Component 6: 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. The Study Area is a well-established retail commercial activity center and has tremendous local and regional access. The area is easily accessed by primary arterials and local streets.

While commercial vacancies have increased near the Study Area, particularly to the west in the Barry Road corridor, and may increase again in the near future, a great deal of growth has been taking place in those areas within one to five miles of the Study Area, as evidenced by the

demographic information included in the Study. The state of the properties within the Study Area has not prevented the surrounding areas from experiencing growth.

The Study Area has not been a hindrance to housing accommodation.

### **Component 7: Economic or Social Liability**

Section 74-2 of the Kansas City, Missouri Code, entitled "Urban Redevelopment," notes the following economic characteristics of blighted areas:

- Reduced or negligible income;
- Impaired economic value;
- Depreciated values;
- Impaired investments;
- Negligible income

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." Previously it was shown that the present condition of the Study Area generates \$259,430 annually in real estate taxes from approximately 27.8 acres of improvements and surface parking lots, which amounts to almost \$0.21 per square foot of land (by comparison Metro North Mall, a property in severe distress located a short distance from the Study Area to the west, generates two cents more per square foot of land than the Study Area, and Metro North Square, another distressed retail property located a short distance to the west and south of Metro North Mall, generates one cent more per square foot of land than Oak Barry). As indicated in Appendix B: Property Valuation and Taxes, the assessed value of the Study Area has increased by approximately 6.8% in the last four years after reassessment in 2006, but other similar retail developments have generally risen at a faster rate. Retail properties that have experienced declines in assessed value over that same time have usually included vacant or underperforming properties. As illustrated in Appendix B, the assessed value of the Oak Barry shopping center without the recently completed bank building at 8405 N. Oak Trafficway is -1.7% over the past four years. The vacancy rate at Oak Barry is approximately 6.3%, considered within the standards for a community shopping center according to the Urban Land Institute. However, a good portion of the property in the Study Area has not been developed as a result of the blighting factors present, and as noted earlier the amount of leasable space could be as much as a third greater than what exists within the Study Area today, presenting a tremendous opportunity lost to collect higher property taxes and sales taxes from the Study Area.

In a study conducted by the Mid-America Regional Council in 2005, the City of Kansas City, Missouri (and other Kansas City metropolitan cities) was found to be highly dependent on sales tax revenue to support their budget and provide services to residents and businesses throughout the city. During the past twenty years, the City of Kansas City's dependence on sales tax revenue has increased to the point where its importance is just as important if not more so than that of property tax revenue. As a result, the loss of sales tax revenue and property tax revenue within the Study Area has resulted in an economic liability to the City of Kansas City, Missouri and other taxing jurisdictions.

The redevelopment of the area has been hindered by several dominating factors, including deteriorating structures and the deterioration of site improvements, brought about by age or by unstable ground. These are costs that are prohibitive for a private sector developer (or property owner) to take on independently. Doing nothing will only result in further deterioration of building and site improvements, resulting in the potential for business closings and the increased inability of surrounding property owners to lease commercial space near the Study Area. In order to retain current business owners and attract new economic activity to the Study Area and surrounding areas, some form of external financial assistance that is not currently being utilized will be required in order to make improvement of the Study Area economically feasible.

Improvement of the proposed Study Area would result in new employment opportunities in the area. The potential increase in activity would also generate new sales, personal property, employment, and utility taxes.

Economic underutilization – evidenced by deteriorating structures, low assessed values and taxes – in this once-vital community retail center indicates the Study Area is blighted.

### **Conclusion**

Several components of the Chapter 67 definition of blight were present in the proposed Oak Barry Community Improvement District.

The dominant blighting factor is the physical deterioration of building and site improvements that result in unsafe conditions throughout the Study Area. A number of structures and systems in the Study Area are more than 20 years old and nearing the end of their life cycle and a majority of the surface parking area is in poor condition and requires replacement or substantial repair. This results in an inability to ensure safe, clean space for retailers and shoppers. The decline in assessed value and tax revenues for much of the shopping center indicates blight is present within the Oak Barry CID. All of the above combine to create economic underutilization and an inability to pay reasonable taxes.

Therefore, the consultant has determined that the Oak Barry Study Area of Kansas City, Missouri, as of June 20, 2011, in its present condition and use, is a “blighted area” according to the definition provided in Missouri’s Community Improvement District Act statutes (RSMo Ch. 67) and constitutes an economic liability in its present condition and use.