

February 21, 2020

**VIA HAND DELIVERY**

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

**Re: 31 Street Community Improvement District /  
Amended Petition with Blight Study – Ord. No. 191022**

Dear Ms. Sanders:

We now represent Petitioner Syndicate Property Holdings 1 LLC (“Petitioner”), and are filing an Amended Petition for the Establishment of the 31 Street Community Improvement District. This matter first came before the Neighborhood Planning and Development Committee (“NPD”) at its meeting on December 11, 2019 where it was continued to the January 15, 2020 NPD meeting and was continued again to the January 29, 2020 NPD meeting. On January 29<sup>th</sup>, the NPD again continued the Ordinance and public hearing to allow Petitioner to prepare a blight study by an independent third-party and update eligible CID project costs. It is on the NPD agenda on Wednesday, February 26, 2020. The initial public hearing was properly noticed and has remained open while Ordinance No. 191022 remained on the NPD’s agenda. The public hearing has not been closed.

The Amended Petition includes the following changes:

- Petitioner is seeking a determination of blight, and the findings of an independent third-party blight study prepared by Patrick Sterrett of Sterrett Urban, LLC are attached to the Petition;
- The 5-year Plan is revised to identify only those CID eligible project costs that cure or remediate the blighted conditions and are eligible for reimbursement under RSMo. Sec. 67.1461.2; and
- The 5-year Plan has been revised in accordance with the City’s standard format.

We look forward to discussing this request for the 31 Street Community Improvement District and the blight study’s findings at the NPD’s February 26<sup>th</sup> meeting. I have drafted for your consideration the enclosed Committee Substitute to Ordinance No. 191022 that reflects these changes.

{33848 / 70539; 872918. }

Ms. Marilyn Sanders  
February 21, 2020  
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If you have any questions, please let me know.

Very truly yours,



Patricia R. Jensen

PRJ:cmm  
enclosures

cc: Chairman Lee Barnes, Jr., w/ encs., via hand delivery  
Vice Chair Andrea Bough, w/ encs., via hand delivery  
Councilman Dan Fowler, w/ encs., via hand delivery  
Councilman Brandon Ellington, w/ encs., via hand delivery  
Councilwoman Teresa Loar, w/ encs., via hand delivery  
Ms. Patricia Solis, w/ encs., via hand delivery  
Eluard Alegre, Esq., w/ encs., via hand delivery  
Mr. Paul Nagaoka, w/ encs., via hand delivery

C.S. ORDINANCE NO. 191022

Approving the Petition to establish the 31 Street Community Improvement District; establishing the 31 Street Community Improvement District, generally located along 31st Street near the corner of Oak Street in Kansas City, Jackson County, Missouri; and directing the City Clerk to report the creation of the District to the Missouri Department of Economic Development.

BE IT ORDAINED BY THE COUNCIL OF KANSAS CITY:

Section 1. That the Petition to establish the 31 Street Community Improvement District, (the "District") as a political subdivision in accordance with Section 67.1401 through Section 67.1571, RSMo, otherwise known as the Missouri Community Improvement District Act (the "Act"), and which is attached to this Ordinance as Exhibit 1, is hereby approved in its entirety.

Section 2. That the District is hereby established for the purposes set forth in the Petition, which the District shall have all the powers and authority authorized by the petition, the Act, and by law, and shall continue to exist for a period of twenty-five (25) years.

Section 3. That the District is hereby determined to be a blighted area by reason of the predominance of unsanitary or unsafe conditions and deterioration of site improvements, and conditions which endanger life or property, all of which individually and collectively constitute an economic liability, social liability and menace to the public health, safety, morals and welfare in its present condition and use.

Section 4. That the District shall annually submit its proposed budget, annual report and copies of written resolutions passed by the Districts board to the City pursuant to Section 67.1471, RSMo.

Section 5. That upon the effective date of this Ordinance, the City Clerk is hereby directed to report the creation of the District to the Missouri Department of Economic Development pursuant to Section 67.1421.6, RSMo, by sending copy of this ordinance to said agency.

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Approved as to form and legality:

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Eluard Alegre  
Assistant City Attorney

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AMENDED PETITION FOR THE ESTABLISHMENT  
OF  
31 STREET  
COMMUNITY IMPROVEMENT DISTRICT

KANSAS CITY, MISSOURI

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FROM: The owners of record of more than fifty percent (50%) by (a) assessed value of all real property within the hereinafter described community improvement district, and (b) per capita of all owners of real property within the community improvement district (collectively, the "**Petitioner**")

Submitted September 20, 2019

Amended February 21, 2020

**AMENDED PETITION TO ESTABLISH  
31 STREET COMMUNITY IMPROVEMENT DISTRICT**

**TO: CLERK OF THE CITY OF KANSAS CITY, MISSOURI:**

THIS PETITION (the “**Petition**”), as amended, for the creation of a community improvement district within a certain limited portion of the City of Kansas City, Missouri (the “**City**”), is filed with the Clerk of the City (the “**City Clerk**”) and submitted to the City in accordance with the Community Improvement District Act, Sections 67.1401 through and including 67.1571 of the Revised Statutes of Missouri, as amended (the “**CID Act**”).

The undersigned is, based on the tax records of the Jackson County Assessor as of the date of filing, the owner or representative of the owner of record of more than fifty percent (50%) (a) by assessed value of the real property within the proposed community improvement district described herein below, and (b) per capita of all owners of real property within the proposed community improvement district described herein below (the “**Petitioner**”).

The Petitioner, in accordance with the CID Act, hereby requests that the governing body of the City (“**Governing Body**”) hold a public hearing and approve and adopt this Petition and establish the 31 Street Community Improvement District (the “**District**”), all as described herein and in accordance with the CID Act.

In support of this Petition and request, Petitioner states as follows:

1. DESCRIPTION OF THE DISTRICT

A. Name of District

The name of the District is: 31 Street Community Improvement District.

B. Legal Description

The District includes all of the real property legally described on Exhibit “A”, attached hereto and made a part hereof.

C. Boundary Map

A map graphically depicting the boundaries of the District, which boundaries are contiguous, is attached hereto and made a part hereof as Exhibit “B”.

2. FIVE YEAR PLAN

A five (5) year plan for the proposed District providing a description of the purposes of the District, the services it will provide, the improvements to be made in the District and an estimate of the costs of such services and improvements is set forth in Exhibit “C” attached hereto and incorporated herein by reference.

3. GOVERNANCE OF THE DISTRICT

A. Type of District

The District will be a separate political subdivision governed by a five (5) person Board of Directors elected by the District.

B. Board of Directors

1. Number

The District will be governed by a Board of Directors consisting of five (5) directors (“**Directors**”).

2. Qualifications

Each Director, during the entire term, will meet the following requirements:

(a) be at least 18 years of age; and

(b) either (i) a fee owner of real property within the District or a legally authorized representative thereof or (ii) an owner of a business or a legally authorized representative of a business operating within the District (an “**Owner**”)

3. The Initial Directors

Initial Directors to serve on the Board of Directors and their respective terms will be:

| <u>Name</u>         | <u>Term</u> |
|---------------------|-------------|
| 1. Paul Nagaoka     | 4 Years     |
| 2. Jennifer Nagaoka | 4 Years     |
| 3. Harsha Moole     | 3 Years     |
| 4. Chris Sullivan   | 2 Years     |
| 5. Amy Sullivan     | 2 Years     |

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.

4. Terms

The initial Directors named above will serve for the terms set out opposite their names or until their successors are elected in accordance with the CID Act and this Petition. Their successors will be appointed to serve four (4) year terms; provided that in the event, for any reason, a Director is not able to serve his or her full term (an "Exiting Director"), any resulting vacancy to the Board of Directors will be filled by the prompt appointment by the Mayor and Governing Body of a Director (an "Interim Director") to serve for the remainder of the term of such Exiting Director in accordance with Section 67.1451.5 of the CID Act and this Petition. Any such Interim Director will meet the qualifications of Section 3.B.2 of this Petition and of Section 67.1451.2 of the CID Act and the Petitioners will cooperate with the City in respect of any designations and appointments as legally authorized representatives as required by the foregoing and consistent with Section 3.B.5, below.

5. Successor Directors

Successor Directors shall be elected by the District for four-year terms.

4. NO POWER LIMITATION

Petitioner does not seek limitations on the powers of the District. As such, the District will have all the authority and powers granted to community improvement districts and political subdivisions under the CID Act and as otherwise provided by law, except as may be restricted in this Petition.

5. REAL PROPERTY TAXES

Petitioner does not seek to submit to qualified voters any proposition for approval of a real property tax levy and therefore the maximum real property tax levy will be zero (0).

6. SPECIAL ASSESSMENTS

Petitioner does not seek to submit to qualified voters any proposition for approval of a special assessment and therefore the maximum special assessment will be zero (0).

7. SALES TAXES

Pursuant to Section 67.1545 of the CID Act, the District will, upon approval by the qualified voters of the District, impose a CID sales tax of a maximum rate of one percent (1%) on all taxable sales and services at retail occurring within the District ("CID Sales Tax") for the purposes of providing revenue to assist in funding certain services and improvements within the District, and for the operation, administration and maintenance of the District. The District will

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12838183.1

maintain the levy of the CID Sales Tax at such rate until the full satisfaction and defeasance of the CID obligations.

8. ASSESSED VALUE

As of the date of this Petition, the total assessed value of all of the real property within the District is \$68,010.00.

9. BLIGHT DETERMINATION REQUEST

Petitioner is seeking a determination that the District is blighted under Section 67.1401.2(3)(a) of the CID Act. A blight study prepared by Patrick Sterrett of Sterrett Urban, LLC dated February 14, 2020 (“Blight Study”) is attached as Exhibit “D” and hereby incorporated into this Petition.

10. LIFE OF DISTRICT

The District will continue to exist and function until the earlier of: (1) the full satisfaction and defeasance of all CID obligations, or (2) the date which is twenty-five (25) years from the date of the ordinance establishing the District, subject to the right of the District to continue for one or more successive ten (10) year terms in accordance with Resolution No. 130844.

11. TERMINATION RIGHT

Property owners within the district shall have the right to initiate a petition to terminate the District as provided in and in accordance with Section 67.1481 of the CID Act.

12. REQUEST TO ESTABLISH DISTRICT

By execution and submittal of this Petition, the Petitioner requests that the City hold a public hearing in accordance with Section 67.1421 of the CID Act and adopt an ordinance to establish the District as set out in this Petition and in accordance with the CID Act.

13. NOTICE TO PETITIONER

**THE SIGNATURE OF THE PETITIONERS MAY NOT BE WITHDRAWN LATER THAN SEVEN (7) DAYS AFTER THIS PETITION IS FILED WITH THE CITY CLERK.**

14. BORROWING CAPACITY AND REVENUE GENERATION

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

15. REVENUE LIMITATIONS

The revenue generated by the District will be limited to the revenue generated by the CID Sales

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Tax; provided however, the District will not be limited in the amount of the revenue that can be generated by the CID Sales Tax.

16. SEVERABILITY; CONFLICTS

If any provision of this Petition is held or determined to be invalid, inoperative or unenforceable as applied in any particular case, or in all cases, because it conflicts with any other provision or provisions of this Petition or for any other reason, such circumstances will not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision contained in this Petition invalid, inoperative or unenforceable to any extent whatsoever, except where such provision is expressly required by the CID Act. The undersigned request that the City of Kansas City, Missouri establish the 31 Street Community Improvement District according to the preceding Petition and authorize the creation of the District.

17. AUDIT

Notwithstanding anything to the contrary in the CID Act, the City auditor shall have the right to examine or audit the records of the District upon providing the Directors with written notice specifying the records to be examined or audited (“Notice of Audit”). The District shall make records requested by the City auditor available within ten (10) days after the Notice of Audit.

**[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK; SIGNATURE PAGES FOLLOW]**

**Name of Owner:** Syndicate Property Holdings 1 LLC,  
**Owner's Telephone Number:** 808-218-3289  
**Owner's Mailing Address:** 2900 E. Red Bridge Road  
 Kansas City, MO 64137

**Name of Signer:** Paul Nagaoka  
**State basis of legal authority to sign:** Manager of Syndicate Real Estate  
 Development, LLC, Manager of Owner  
**Signer's Telephone Number:** See above  
**Signer's Mailing Address:** See above

**Entity Type:** Missouri Limited Liability Company  
**Owner's property within the District**

| Parcel ID Number             | Street Address                                    | Assessed Value |
|------------------------------|---|----------------|
| 29-840-09-01-00-0-00-000     | 325-327 E. 31 Street, Kansas City, Missouri 64111 | \$58,432.00    |
| 29-840-09-02-00-0-00-000     | 319 E. 31 Street, Kansas City, Missouri 64111     | \$7,296.00     |
| 29-840-09-03-00-0-00-000     | 3108 Oak St, Kansas City, Missouri 64111          | \$2,282.00     |
| <b>TOTAL ASSESSED VALUE:</b> |   | \$68,010.00    |

By executing this Petition, the undersigned represents and warrants that he has received a copy of this Petition and its exhibits, has read this Petition and its exhibits, is authorized to execute this Petition on behalf of the property owner named immediately above, and authorizes this signature page to be attached to the original of this Petition to be filed in the Office of the City Clerk of the City of Kansas City, Missouri. The undersigned also acknowledges that the signature may not be withdrawn later than seven (7) days after this Petition is filed with the City Clerk.

**SYNDICATE PROPERTY HOLDINGS 1 LLC,**  
 a Missouri limited liability company

By: **SYNDICATE REAL ESTATE DEVELOPMENT LLC,** a Missouri limited liability company  
 Its: Manager

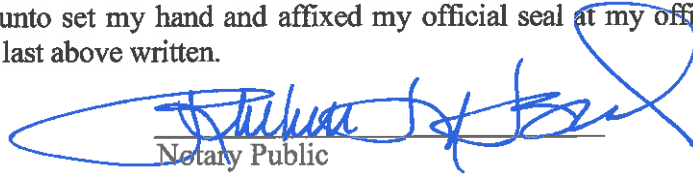
By:   
 Paul Nagaoka, Manager

Date: 2/21, 2020

STATE OF MISSOURI )  
 )  
COUNTY OF JACKSON ) ss.

On this 21<sup>st</sup> day of February, 2020, before me personally appeared Paul Nagaoka, to me personally known, who, being by me duly sworn, did say that he is the Manager of Syndicate Real Estate Development LLC, a Missouri limited liability company, Manager of Syndicate Property Holdings 1 LLC, a Missouri limited liability company, and the foregoing instrument was signed in behalf of said company, by authority of its members and said Manager acknowledged said instrument to be the free act and deed of said company.

In testimony whereof I have hereunto set my hand and affixed my official seal at my office in said county and state the day and year last above written.

  
\_\_\_\_\_  
Notary Public

My commission expires:

7/31/20



RACHELLE M. BIONDO  
My Commission Expires  
July 31, 2020  
Jackson County  
Commission #12499262

**Exhibit "A" (to Petition)**

THE 31 STREET COMMUNITY IMPROVEMENT DISTRICT  
LEGAL DESCRIPTION

The 31 Street Community Improvement District includes only that certain real property located in the County of Jackson, State of Missouri specifically described below, **plus** the public rights-of-way adjacent to such real property.

LEGAL DESCRIPTION OF 325-327 E. 31 STREET, KANSAS CITY, MISSOURI 64111 & 3108 OAK STREET, KANSAS CITY, MISSOURI 64111:

Lots 5, 6 and 7, except the parts thereof in 31st Street, and all of Lot 9 and the North 8 feet of Lot 10, all in Springfield Park, a subdivision in Kansas City, Jackson County, Missouri, according to the recorded plat thereof.

LEGAL DESCRIPTION OF 319 E. 31 STREET, KANSAS CITY, MISSOURI 64111:

All of the South 125 feet of Lot 8, Springfield Park, a subdivision in Kansas City, Jackson County, Missouri.

**Exhibit "B" (to Petition)**  
**DISTRICT BOUNDARY MAP**



**Exhibit "C" (to Petition)**

**FIVE-YEAR PLAN OF  
THE 31 STREET COMMUNITY IMPROVEMENT 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 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 startup 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 \$10,000 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 construction of the following public improvements within the District:

| <b>Project Costs</b>   | <b>Total</b>        |
|--|---------------------|
| <b>Blight Remediation:</b>   |                     |
| Reconfigure life safety, fire safety systems                                 | \$ 122,748          |
| Improve to ADA Standards   | \$ 186,291          |
| Rehabilitation of building systems, mechanical<br>HVAC, plumbing, electrical | \$ 416,038          |
| Repair exterior building and site conditions                                 | \$ 183,715          |
| Repair structural integrity, roofing, walls,<br>foundations, masonry         | <u>\$ 104,750</u>   |
| <b>Total Blight Remediation</b>  | <b>\$ 1,013,542</b> |
| <b>Soft Costs</b>  |                     |
| Architect & Engineering  | \$ 30,000           |
| CID Formation & Legal  | <u>\$ 20,000</u>    |
| <b>Total Soft Costs</b>  | <b>\$ 50,000</b>    |
| <b>TOTAL PROJECT COSTS</b>   | <b>\$ 1,063,542</b> |

**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 startup of the District is approximately \$20,000.



**Exhibit "D" (to Petition)**

**BLIGHT STUDY**

325 E. 31<sup>st</sup> Street Community Improvement District

## **Blight Study**

Syndicate Property Holdings 1, LLC  
Kansas City, Missouri  
February 14, 2020

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## 325 E. 31<sup>st</sup> Street Community Improvement District

# Blight Study

Syndicate Property Holdings 1, LLC  
Kansas City, Missouri  
February 14, 2020

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## Introduction

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The purpose of this analysis is to determine if the proposed 325 E. 31<sup>st</sup> Street 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 the Study Area in February 2020 on two occasions. The effective date of this study is February 14, 2020, the last date of inspection.

The Study Area lies within the Broadway Gillham neighborhood and is generally located on the southeast corner of the intersection of East 31<sup>st</sup> Street and Oak Street. The Study Area is depicted in the map included on the following pages. The Study Area encompasses three (3) tax parcels – 319 E. 31<sup>st</sup> Street, 325 E. 31<sup>st</sup> Street, and 3108 Oak Street – containing approximately 0.49 acres of fee simple property, and 0.53 acres when including the east-west public alley located immediately between 325 E. 31<sup>st</sup> Street and 3108 Oak Street.

### 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 325 E. 31<sup>st</sup> Street 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 to produce a chart 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 Jackson County and analyzed. Additional supplemental and updated information was obtained through discussions with City staff, the property owner, and various reports and studies prepared or commissioned by City staff, property owners and other stakeholders.

The consultant visited the Study Area on February 3, 2020 and again on February 14, 2020. The effective date of the study is February 14, 2020, the last date of inspection.

## **Previous Blight Determinations**

### Proposed Community Improvement District

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

### Adjoining Areas

The Study Area is adjacent to or in close proximity (located within approximately one-half mile of the Study Area) to the following redevelopment areas, all of which were approved by the City Council of the City of Kansas City, Missouri with a finding of blight:

1. Union Hill Development Plan (RSMo. Chapter 353);
2. Gillham Row General Development Plan (Planned Industrial Expansion Authority);
3. Main 31 Holmes Urban Renewal Plan (Land Clearance for Redevelopment Authority);
4. 3200 Gillham Urban Renewal Area (Land Clearance for Redevelopment Authority);
5. Linwood-Gillham Urban Renewal Area (Land Clearance for Redevelopment Authority);
6. Gillham Plaza General Development Plan (Planned Industrial Expansion Authority);
7. Midtown Tax Increment Financing Plan (Tax Increment Financing Commission);
8. 27<sup>th</sup> & McGee General Development Plan (Planned Industrial Expansion Authority);
9. Longfellow/Dutch Hill Neighborhoods Urban Renewal Area (Land Clearance for Redevelopment Authority);
10. 31<sup>st</sup> & Main Urban Renewal Area (Land Clearance for Redevelopment Authority);
11. Dutch Hill Apartments Urban Renewal Area (Land Clearance for Redevelopment Authority);
12. Troost Corridor General Development Plan (Planned Industrial Expansion Authority);
13. Crown Center Development Plan (RSMo. Chapter 353);
14. Trinity Lutheran Hospital Campus General Development Plan (Planned Industrial Expansion Authority); and
15. Armour Gillham Planning Area General Development Plan (Planned Industrial Expansion Authority).

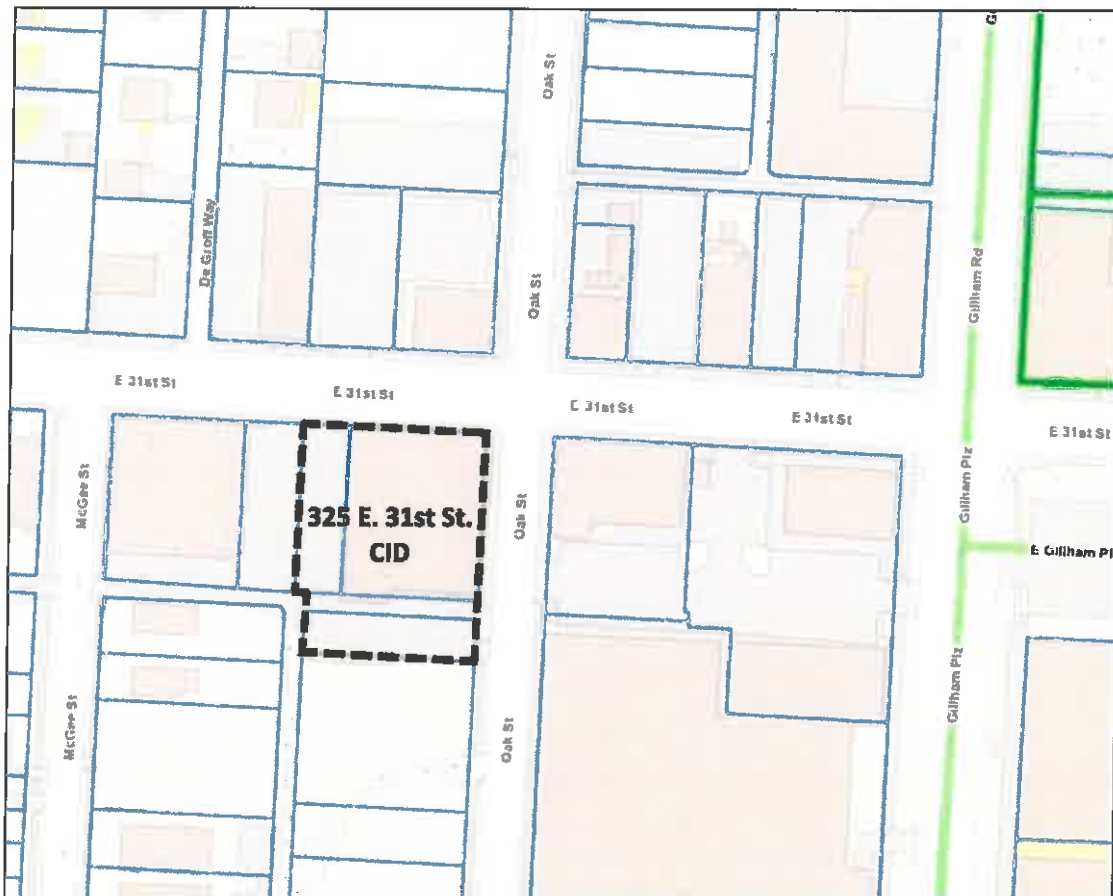
**Legal Description**

The Study Area consists of three (3) property parcels. A specific legal description of the parcels included within the proposed community improvement district is included in Appendix A – Property Ownership & Legal Descriptions.

**Ownership**

The Study Area contains three (3) property parcels. The parcels are identified by the Jackson County Assessor’s office and a listing of the tax parcels and their respective ownership information identified by the Jackson County Assessor is included in Appendix A.

**Boundary Map**



325 E. 31<sup>st</sup> Street Community Improvement District - Boundary Map

Not to Scale

## PROPERTY DATA

### Location & Access

The 325 E. 31<sup>st</sup> Street Study Area encompasses approximately 0.53 acres and consists of three (3) tax parcels in Kansas City, Missouri in the Broadway Gillham Neighborhood.

General regional access to the Study Area is good, as 31<sup>st</sup> Street, a major east-west thoroughfare, provides access to U.S. Highway 71 and Interstate 435 (via U.S. 40) to the east and to the regional highway system to the north via Broadway Boulevard and Main Street to the west, as well as the local network of streets. Other nearby major thoroughfares that are easily accessible from the Study Area include north-south thoroughfares Southwest Trafficway and Karnes Boulevard to the west, and Gillham Road/Gillham Plaza, Holmes Street, Troost Avenue and Paseo Boulevard to the east between the Study Area and U.S. 71.

The Study Area is bounded on the north by E. 31<sup>st</sup> Street and on the east by Oak Street. Primary access to the Study Area is by means of E. 31<sup>st</sup> Street which runs east/west, and consists of two through lanes. Each of the lanes adjacent to the curb allows for parking except in those areas in which a bus stand exists. Oak Street is a north-south two-way local street that runs north-south with narrow lanes. Parking lanes exist on each side of the street. The intersection of E. 31<sup>st</sup> Street and Oak Street is not signalized.

All streets adjacent to the Study Area are two-way streets. An east-west alley is adjacent on the south side of 319 E. 31<sup>st</sup> Street and 325 E. 31<sup>st</sup> Street and links McGee Street on the west with Oak Street to the east.

The draft revision of the Bike KC Plan does not contain any planned routes for the Study Area and no bike routes currently exist within the Study Area. The nearest planned bike routes include Linwood Boulevard, an east-west route just one block to the south, and Gillham Rd/Gillham Plaza, a north-south route just one block to the east. The Trails KC Plan does not propose trails within or near the Study Area, and none currently exist. Pedestrian access is very good, with sidewalks linking the Study Area with other commercial, light industrial and residential development in all directions. The Broadway Gillham neighborhood, where the Study Area is located, has a walk score of 78 and is the fourteenth most walkable neighborhood in Kansas City, Missouri. Sidewalks exist along E. 31<sup>st</sup> Street and Oak Street within the Study Area, and generally range in condition from poor to good.

Public transit is extremely well-served with one bus route directly serving the Study Area along 31<sup>st</sup> Street and two others within one-quarter mile of the Study Area at 31<sup>st</sup> and Main Street to the west and at Gillham Road and 31<sup>st</sup> Street to the east. Each of the routes is operated by the Kansas City Area Transportation Authority.

Route 31 (31<sup>st</sup> Street) operates east-west primarily on 31<sup>st</sup> Street each day of the week and directly serves the Study Area with frequent bus service (maximum frequency of twelve to fifteen minutes). The route operates primarily on 31<sup>st</sup> Street between the Penn



Valley Metropolitan Community College campus Broadway Boulevard on the west and Van Brunt Boulevard on the east before continuing on U.S. Highway 40 and then heading south on Pitman and then east on 42<sup>nd</sup> Street and 43<sup>rd</sup> Street before terminating at the shopping center Blue Ridge Crossing. Eight transfer points exist on the route including with the Main Street MAX bus rapid transit and the Troost MAX bus rapid transit. Two major transfer hubs and one bike share station also exist on the route.

The Main Street MAX, a bus rapid transit (“BRT”), has shelters/stops for north-bound and south-bound service just south of 31<sup>st</sup> Street and less than one-quarter mile from the Study Area to the west. The BRT operates seven days per week, and links the 3<sup>rd</sup> & Grand Park & Ride to the north in the River Market with 75<sup>th</sup> Street and Wornall to the south in the Waldo Neighborhood. Frequent service with fewer stops is provided between the River Market and Country Club Plaza, while less frequent service and more stops are provided south of the Country Club Plaza. Along the route are three free park and rides, four major transfer hubs, seven transfer options and six bike share stations.

Route 85 (Paseo) operates north-south on Gillham Road one block east of the Study Area. The route operates seven days a week and links the River Market with Ward Parkway Center, primarily along The Paseo and 85<sup>th</sup> Street. Included along the route are fifteen transfer points, three major transfer hubs, three bike share stations and one park and ride (3<sup>rd</sup> and Grand in the River Market).

#### **Land Area**

There is a total of three (3) property parcels within the Study Area. According to calculations from city and county GIS maps, the Study Area contains a total of approximately 0.49 acres of fee simple interest property and 0.04 acres of public right of way for a total of 0.53 acres.

#### **Topography**

The City’s GIS maps illustrate topography in the Study Area generally slopes downward to the east and to the south. According to the City’s geographic information system the highest point in the proposed Study Area is near the northwest corner where the elevation is approximately just above 984 feet. On the northern edge of the Study Area the topography slopes downward along E. 31<sup>st</sup> Street to the east from an elevation of approximately just below 984 to an elevation of approximately just below 982 at Oak Street. From the northeast corner south along Oak Street to the southeast corner of the Study Area the grade slopes from an elevation of just below 982 to just above elevation 976.

The lowest elevation in the Study Area is at the southwest corner of 3108 Oak Street at approximately elevation 976. The difference between the north and south boundaries ranges between six and eight feet. The southern edge of the Study Area slopes downward slightly from east to west.

According to maps from the Federal Emergency Management Agency (FEMA), none of the Study Area is located in a 100-year or 500-year flood plain. The Study Area is located within the Turkey Creek watershed.

**Easements**

Sterrett Urban was not provided with a title report that encompasses the Study Area. No overall evaluation can be developed regarding easements or other restrictions which may be in effect within the Study Area.

**Utilities**

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

**Zoning**

The existing zoning in the Study Area is B4-5 (Heavy Business/Commercial (dash 5)) and M1-5 (Manufacturing 1 (dash 5)). Below is a map illustrating the B4-5 and M1-5 zoning districts within the Study Area and a chart summarizing the zoning classifications:



325 E. 31<sup>st</sup> Street CID Study Area – Zoning Map

| Zoning Classification                            | Purpose   |
|--|---|
| <b>B4-5 Heavy Business/Commercial 4 (dash 5)</b> | <b>B4, Heavy Business/Commercial</b><br>The primary purpose of the B4, Heavy Business/Commercial 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.   |
| <b>M1-5 Manufacturing 1 (dash 5)</b> | <b>M1-5, Manufacturing 1</b><br>Kansas City's manufacturing (M) zoning districts are primarily intended to accommodate manufacturing, warehousing, wholesale, and industrial uses. The regulations are intended to promote the economic viability of manufacturing and industrial uses; encourage employment growth; and limit the encroachment of unplanned residential and other non-industrial development into industrial areas. The intensity designator (in this case 'dash 5') establishes the allowable intensity of development and applicable lot and building standards. |

\*City of Kansas City, Missouri Zoning Ordinance

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 districts noted above are 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 proposed redevelopment 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%, and for residential properties the ratio is 19%. The real estate levy for 2019 in the Study Area was \$8.1288 per \$100 of assessed valuation. An additional \$1.437 per \$100 is assessed on commercial/industrial property only (the Merchants and Manufacturers replacement tax). In 2019 (the most recent year in which real estate taxes have been collected) the redevelopment area generated \$68,010 in taxable assessed value, generating a total of

\$6,505.70 in real estate taxes. Tax payments are delinquent for the property improved with the building at 327 E. 31<sup>st</sup> Street for 2019 in the amount of \$5,589.49. In the past five years all tax payments for each of the property parcels have been made on time.

### **Existing Improvements**

The Study Area consists of a one- and two-story light industrial warehouse that according to business records has primarily served building maintenance companies, publishing and printing companies, and a construction management company. The most recent occupant was a retail mattress business. The building has been completely vacant for the past three years and has been mostly vacant for more than ten years.

According to the Jackson County Assessor's records, the building was constructed in 1920 and the structure is primarily masonry with a veneer. The veneer varies, but includes brick, stucco, tile and siding. The building has five overhead doors accessed from the alley on the south (back) of the building. The building fronts E. 31<sup>st</sup> Street with three primary entrances accessible from the sidewalk. Surface parking exists adjacent to the building on two separate lots – 319 E. 31<sup>st</sup> Street located to the west, and 3108 Oak Street located to the south. According to county records the building consists of approximately 13,325 square feet.

Primary ingress is from E. 31<sup>st</sup> Street on the north side of the Study Area. Ingress and egress to the property is also possible from an alley accessible from Oak Street and to the west of the Study Area from McGee Street.



327 E. 31<sup>st</sup> Street

**Billboards**

There are no billboards located within the Study Area.

## Broadway Gillham Neighborhood

### Location & Access

The Broadway Gillham Neighborhood is generally bounded by 31<sup>st</sup> Street on the north, Oak Street on the east, Armour Boulevard on the south, and Broadway Boulevard on the west. The neighborhood enjoys terrific access to the regional highway system via 31<sup>st</sup> Street east to U.S. Highway 71, U.S. Highway 40, and Interstate 70, and via Broadway Boulevard north to Interstate 35, Interstate 670, and U.S. Highway 169.

The main entryways into the Broadway Gillham Neighborhood are primarily Broadway Boulevard, Main Street, 31<sup>st</sup> Street, Armour Boulevard, Linwood Boulevard, and Gillham Road.

Broadway Gillham is bordered to the north by the neighborhoods of Crown Center and Union Hill. North Hyde Park is located to the east and Hanover Place is located to the south. And Valentine is located to the west. 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 center of the Study Area at 327 E. 31<sup>st</sup> Street.

| 327 E. 31 <sup>st</sup> Street<br>Radius | Historical<br>Population |         | Estimated<br>Population | Projected<br>Population |
|--|--------------------------|---------|-------------------------|-------------------------|
|  | 2000                     | 2010    | 2019                    | 2024                    |
| <b>One Mile</b>                          | 16,011                   | 13,746  | 15,964                  | 17,960                  |
| chg. (1 mile)                            |                          | -14.1%  | +16.1%                  | +12.5%                  |
| chg. From '00 (1 mile)                   |                          | -14.1%  | -0.3%                   | +12.2%                  |
| <b>Three Mile</b>                        | 114,910                  | 104,299 | 115,982                 | 123,305                 |
| chg. (3 mile)                            |                          | -9.2%   | +11.2%                  | +6.3%                   |
| chg. From '00 (3 mile)                   |                          | -9.2%   | +0.9%                   | +7.3%                   |
| <b>Five Mile</b>                         | 260,975                  | 239,747 | 257,450                 | 267,950                 |
| chg. (5 mile)                            |                          | -8.1%   | +7.4%                   | +4.1%                   |
| chg. From '00 (5 mile)                   |                          | -8.1%   | -1.4%                   | +2.7%                   |

Source: ESRI; Sterrett Urban, LLC

| <b>327 E. 31<sup>st</sup> Street<br/>Radius</b> | <b>Estimated<br/>Median<br/>HH<br/>Income<br/>2019</b> | <b>Projected<br/>Median<br/>HH<br/>Income<br/>2024</b> |
|---|--|--|
| <b>One Mile</b>                                 | 37,516   | 45,200   |
| <b>Three Mile</b>                               | 41,308   | 50,134   |
| <b>Five Mile</b>                                | 42,556   | 50,125   |

Source: ESRI

The population figures indicate slight population decline within one mile from the Study Area over the past nineteen years (-0.3%). Population declined 1.4% over the same period within five miles of the Study Area and grew 0.9% within five miles. During the same period the population for Kansas City, Missouri increased at an estimated rate of 11.2%, and for Jackson County the population increased at an estimated rate of 6.9%.

The median household income for the one-mile radius around the subject Study Area is currently approximately 31% lower than the median household income for Kansas City, Missouri. The median household income for that area within three and five miles of the Study Area is more than ten percent higher than that nearest the Study Area but remains well below the median household income for the city as a whole – approximately 24%.

### Unemployment

The most recent unemployment data for the Study 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  
October 2019**

| <b>Labor Force</b> | <b>Labor Force<br/>Employed</b> | <b>Labor Force<br/>Unemployed</b> | <b>Percentage<br/>Unemployed</b> |
|--------------------|---------------------------------|-----------------------------------|----------------------------------|
| 267,621            | 259,735                         | 7,886                             | 2.9%                             |

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 November 2019 was 2.8%.

According to the Mid-America Regional Council, an unemployment rate of 4.0% can generally be considered “full employment.”

## Section II

### Determination of Study Area Conditions

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Significant findings of the 325 E. 31<sup>st</sup> Street Community Improvement District Blight Study are presented in the discussion which follows. These findings are based on a review of documents and reports, interviews, field surveys, and analyses conducted in February 2020. Properties and buildings, along with public improvements adjacent to the properties, were evaluated and deficiencies noted. As previously explained, the purpose of this study was to determine whether conditions as defined by RSMo. 67.1401.2(3)(a) of the Missouri State Statute, as amended, exist in the Study Area. The definition of “blighted area” in Chapter 67 of the Revised Statutes of Missouri, as amended, is discussed below.

#### **RSMo. 67.1401.2(3)(a)**

The principal blighting factors reported here and in line with the statutory definition include: defective or inadequate street layout, insanitary or unsafe conditions, deterioration of site improvements, improper subdivision or obsolete platting, and the existence of conditions which endanger life or property by fire and other causes. The Appendix section of this report includes a table exhibiting the blighting factors present at each property parcel.

#### **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 the on-site investigations and field surveys this condition was found on both of those property parcels improved with surface parking within the Study Area – 319 E. 31<sup>st</sup> Street and 3108 Oak Street. Circulation within the Study Area only works in a one-way direction regardless of the ingress point due to the narrow width of the drive aisle adjacent to the surface parking. Such circulation brings about the potential for vehicle/vehicle conflicts, since the drive aisles are only wide enough to accommodate one vehicle. The poor condition and narrow width of the alley west to McGee and south to Linwood discourage or prohibit vehicular use.

The parking is striped on 319 E. 31<sup>st</sup> Street and wheel stops installed, but directional signage and pavement markings do not exist on the lot to inform drivers of the one-way direction, including the ingress point at E. 31<sup>st</sup> Street. Pavement markings, directional signage and wheel stops are missing from 3108 Oak Street and the ingress/egress point on Oak Street, and the curb cut for the driveway providing access to/from Oak Street interferes with the parking spaces aligned along the southern edge of the property as currently constructed.

Circulation within the Study Area creates the potential for vehicle/vehicle and vehicle/pedestrian conflicts.

The Study Area has good access and linkage to surrounding areas via automobile, pedestrian transit and bicycle transit. A bike share station, operated by BikeWalkKC, is located across the street from the Study Area at the northeast corner of the E. 31<sup>st</sup> Street/Oak Street intersection at the Brick House KC restaurant.

Examples of this blighting condition are shown below:



*3108 Oak Street – looking west – lack of wheel stops, pavement markings, directional signage*



*319 E. 31<sup>st</sup> Street – looking south – lack of directional signage, pavement markings*



*3108 Oak Street – looking west – lack of directional signage, pavement markings*

## **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. This condition does exist within the Study Area as the building improvements cover the entire property parcel at 327 E. 31<sup>st</sup> Street and contribute to blight due to an inability to provide adequate off-street parking. The two other paved lots located within the Study Area provide some of the parking necessary for the building, but not enough. The owner of the three lots within the Study Area has a lot leased immediately south of 3108 Oak Street with the intent of using it for parking. If the leased lot could be used for parking the blighting condition would be eliminated. However, the leased lot has not been improved with a surface parking lot that satisfies city development code requirements. At best the lot's access is in poor condition and the gravel and grass cannot be used for parking due to its location next to a residentially zoned area.

The property located at 327 E. 31<sup>st</sup> Street exhibits evidence of improper subdivision or obsolete platting due to inadequate lot size.

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

There are several locations within the Study Area exhibiting unsafe or insanitary conditions. The most prevalent Study Area conditions considered unsafe or insanitary include the lack of operable building and life safety systems, noncompliance with building codes and with the Americans with Disabilities Act, lack of railings, boarded windows and blockage of egress, the presence of trash/debris and graffiti, and uneven or substandard sidewalks. In addition to these conditions, the poor condition of the surface parking lots along the southern and western edges of the the Study Area (documented under "Component 4: Deterioration of Site Improvements") also presents tripping hazards.

No separate environmental assessments were done for this Blight Study.

Examples of this condition are shown below. The entirety of the Study Area exhibited insanitary or unsafe conditions.



*3108 Oak Street – looking north – cracked/uneven sidewalk; trash/debris; deterioration of wall veneer*



*327 E. 31<sup>st</sup> Street – looking north – uneven/cracked sidewalk; deterioration of walls, windows*



*327 E. 31<sup>st</sup> St – looking west – uneven/cracked sidewalk; deterioration of wall veneer*



*327 E. 31<sup>st</sup> Street – looking east – graffiti; deterioration of pavement*



*319 E. 31<sup>st</sup> Street – looking east – trash/debris*



*3108 Oak Street – looking south – trash/debris; overgrown vegetation; deterioration of pavement*



*327 E. 31<sup>st</sup> Street – looking east – graffiti; disconnected electricity (no meter)*





*327 E. 31<sup>st</sup> Street – interior – disconnected power; failure of finishes*



*327 E. 31<sup>st</sup> Street – interior – uneven floor*



*327 E. 31<sup>st</sup> Street – interior – lack of code compliance; debris; general deterioration*



*327 E. 31<sup>st</sup> Street – interior – lack of railing; boarded window*



*327 E. 31<sup>st</sup> Street – interior – pigeon excrement*



*327 E. 31<sup>st</sup> Street – interior – lack of railing, stairs*



***327 E. 31<sup>st</sup> Street – interior – code noncompliance; loose electrical conduit; failure of finishes***



*327 E. 31<sup>st</sup> Street – interior – lack of railings; debris; lack of light*

#### **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 physical conditions within the Study Area. 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).

The most common examples of structural deterioration found in the Study Area included the failure of finishes, deterioration of the roof, walls, windows, and the need for masonry repairs. The following photos are examples of structural deterioration in the Study Area.



*327 E. 31<sup>st</sup> Street – looking southwest – deterioration of windows and wall veneer; failure of finishes.*



*327 E 31<sup>st</sup> Street – looking south – deterioration of windows, wall veneer, header joist, failure of finishes*



*327 E. 31<sup>st</sup> Street – looking southwest – deterioration of windows and wall veneer; failure of finishes*



*327 E 31<sup>st</sup> Street – looking south – deterioration of wall veneer (stucco and tile), flashing, windows*



*327 E. 31<sup>st</sup> Street – looking south – deterioration of windows and wall veneer (tile); failure of finishes*



*327 E 31<sup>st</sup> Street – looking north – deterioration of wall veneer (stucco), windows, door assembly*





*327 E. 31<sup>st</sup> Street – looking west – deterioration of windows and wall veneer; failure of finishes*



*327 E. 31<sup>st</sup> Street – looking west – masonry deterioration (chimney); deterioration of ladder, landing*



*327 E. 31<sup>st</sup> Street – looking northwest – deterioration of windows and wall veneer; failure of finishes*



*327 E. 31<sup>st</sup> Street – looking southeast – deterioration of windows and wall veneer; failure of finishes*



*327 E. 31<sup>st</sup> Street – looking east – deterioration of window lintels, brick masonry*



*327 E. 31<sup>st</sup> Street – looking east – deterioration of window lintels, brick masonry*



*327 E. 31<sup>st</sup> Street – interior – cracked structural beam*



*327 E. 31<sup>st</sup> Street – interior – deterioration of structure*



*327 E. 31<sup>st</sup> Street – interior – deterioration of mechanical system; evidence of fire*



*327 E. 31<sup>st</sup> Street – interior – deterioration of structure, failure of finishes*



*327 E. 31<sup>st</sup> Street – interior – deterioration of wall*



*327 E. 31<sup>st</sup> Street – interior – water damage due to leaking roof; failure of finishes*



*327 E. 31<sup>st</sup> Street – interior – water damage due to leaking roof; failure of finishes*



*327 E. 31<sup>st</sup> Street – interior – boarded windows; lack of power/light; water damage*



*327 E. 31<sup>st</sup> Street – interior – open, broken windows; failure of finishes*



*327 E. 31<sup>st</sup> Street – interior – water damage due to leaking roof; failure of finishes*



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 deterioration of parking surfaces and mechanical equipment.

Examples of site deterioration problems are found throughout the Study Area, as shown in the photographs below.



*3108 Oak St & 3127 E. 31<sup>st</sup> St – looking west – deterioration of alley, surface parking*



*327 E. 31<sup>st</sup> Street – looking southeast – deterioration of mechanical equipment*

Each of the three parcels surveyed in the Study Area exhibited deterioration of site improvements. The most prevalent conditions included failure of finishes and deterioration of the roof, windows, walls and the deterioration of parking surfaces and drives.

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

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

An examination of crime data for the past six months, provided by Trulia.com (a combination of data from SpotCrime.com and CrimeReports.com), indicates the Study Area has crime rates equal to or lower than many of the neighborhoods in Kansas City, and lower than the majority of commercial properties.

Operable fire suppression systems do not exist within the building at 327 E. 31<sup>st</sup> Street. All building systems, notably electricity and water, are disconnected. Many of the windows have been removed and boarded which presents a target for arson and is dangerous to persons in case of fire. Only one staircase remains in the building – all the other stairs have been removed – and is unsafe in the event of fire. The second floor is

particularly unsafe, with the absence of railings around floor openings (including the stairwells with no stairs) and the lack of light due to the boarding of windows (blocking natural light) and due to the lack of electricity.

Not all windows have been boarded, and a small group of pigeons has roosted on the second floor. Pigeon excrement poses a health hazard to anyone in that area of the second floor.

Conditions which endanger life or property by fire and other causes exists within the Study Area at 327 E. 31<sup>st</sup> Street, some of which are exhibited in the photographs below.



*327 E. 31<sup>st</sup> St – looking northwest – boarded windows*



*327 E. 31<sup>st</sup> Street – looking east – electricity disconnected, lack of meter*



*327 E. 31<sup>st</sup> Street – lack of railing at floor opening*



*327 E. 31<sup>st</sup> Street – interior – no stair; lack of railing*



*327 E. 31<sup>st</sup> Street – interior – pigeon increment*

### Summary of Blighting Factors

The following table summarizes the five blighting factors analyzed during inspections of property within the Study Area.

#### 325 E. 31<sup>st</sup> Street CID

##### Summary of Blighting Factors

| Study Area  | Parcels | Pct.   | Area<br>(sq. ft.) | Pct.   |
|---|---------|--------|-------------------|--------|
| Total   | 3       | 100%   | 21,427            | 100%   |
| <u>Blighting Factors</u>  |         |        |                   |        |
| Defective or inadequate street layout   | 2       | 66.7%  | 8,552             | 39.9%  |
| Improper subdivision or obsolete platting   | 1       | 33.3%  | 12,875            | 61.2%  |
| Insanitary or unsafe conditions   | 3       | 100.0% | 21,427            | 100.0% |
| Deterioration of site improvements  | 3       | 100.0% | 21,427            | 100.0% |
| Existence of conditions which endanger<br>life or property by fire and other causes | 1       | 33.3%  | 12,875            | 61.2%  |
| Parcels with at least one blighting factor  | 3       | 100.0% | 21,427            | 100.0% |
| Parcels with no blighting factors   | 0       | 0.0%   | 0                 | 0.0%   |

As evidenced from the table above, more than 50% of the redevelopment area satisfies the blighting factors of “Improper subdivision or obsolete platting”, “Insanitary or unsafe conditions”, “Deterioration of site improvements” and “Existence of conditions which endanger life or property by fire and other causes”. In addition, the percentage of the study area that has at least one blighting factor is 100.0%. The Study Area is deemed to have a predominance of blighting factors present, due to the presence of a combination of each of the statutory blighting factors throughout the Study Area.

### Economic Liability

The following economic characteristics of blighted areas are generally agreed upon as:

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

These economic characteristics are typically substantiated with certain conditions, which may include but are not limited to one or more of the following:

- Depreciated or stagnant property values or impaired investments.
- High business vacancies, low lease rates, high turnover rates, or excessive vacant lots.
- Lack of neighborhood commercial facilities.
- Residential overcrowding or an excess of adult businesses.
- High crime rate.

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.”

As indicated in Appendix B: Property Valuation and Taxes, the assessed value of the Study Area has increased by approximately 35.4% in the last five years, due in large part to the Jackson County Assessor’s office increased commercial property assessments that took place in 2017, where almost all commercial properties saw an across-the-board increase of 4%, and in 2019 when assessments were increased to reflect increased sales prices in the commercial real estate market. In 2019 property within the Study Area sold for a total of \$250,000, and the assessed value increased to reflect the sale price.

Despite the increased assessed value in 2019, the assessed value per square foot remained dramatically low compared to other comparable properties. Other two-story, mixed-use properties in the vicinity of the Study Area were generally valued at \$35-\$43 per square foot. The Study Area, however, even after the increase in valuation in 2019, was valued at approximately \$12.50 per square foot. Redevelopment of the Study Area, with plans for office, a restaurant and other commercial spaces, would dramatically increase the value of the property within the Study Area and would serve to attract additional private investment to the area.

The redevelopment of the area has been hindered primarily by unsafe and insanitary conditions brought about by the deterioration of site improvements and the lack of operable building and life safety systems. These are costs that are prohibitive for a private sector developer (or property owner) to take on independently and remain competitive in the market. Doing nothing will only result in further deterioration of building and site improvements, resulting in the potential for a continued low level of income and property values. In order to provide a safe environment for customers and employees, and to continue to grow 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.

Economic underutilization – deteriorating site improvements, low assessed values and taxes – indicates the Study Area is blighted.

## **Conclusion**

Several components of the Chapter 67 definition of blight were present in the proposed 325 E. 31<sup>st</sup> Street Community Improvement District.

The dominant blighting factors are the unsafe and insanitary conditions that exist as a result of the deterioration of site improvements throughout the Study Area and the inoperable building and life safety systems. A majority of the surface parking area and other secondary site improvements are in poor condition and require replacement or substantial repair. This results in an inability to ensure safe, clean space for customers and employees. Safety issues include the presence of vacant tenant space. The low assessed values, and consequently tax revenue, indicates blight is present within the 325 E. 31<sup>st</sup> Street CID. All of the above combine to create economic underutilization and an inability to pay reasonable taxes.

Therefore, the consultant has determined that the 325 E. 31<sup>st</sup> Street Study Area of Kansas City, Missouri, as of February 14, 2020, 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.



Appendix A

**Property Ownership & Legal Descriptions**

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| No. | Parcel ID No.            | Site Address   | Legal Description                                    | Owner                              |
|-----|--------------------------|----------------|--|------------------------------------|
| 1   | 29-840-09-01-00-0-00-000 | 327 E. 31ST ST | SPRINGFIELD PARK ADD S 125 FT OF LOTS 5-6 & 7        | SYNDICATE PROPERTY HOLDINGS 1, LLC |
| 2   | 29-840-09-02-00-0-00-000 | 319 E. 31ST ST | SPRINGFIELD PARK ADD S 125 FT OF LOT 8               | SYNDICATE PROPERTY HOLDINGS 1, LLC |
| 3   | 29-840-09-03-00-0-00-000 | 3108 OAK ST    | SPRINGFIELD PARK ADD ALL OF LOT 9 & N 8 FT OF LOT 10 | SYNDICATE PROPERTY HOLDINGS 1, LLC |

Appendix B

**Property Valuation & Taxes**

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325 E. 31st Street CID  
Blight Study

Appendix B  
Property Valuation and Taxes

| No.                 | Parcel ID Number         | Assessed Values |        |        |        |        | Taxes    |            |
|---------------------|--------------------------|-----------------|--------|--------|--------|--------|----------|------------|
|                     |                          | 2015            | 2016   | 2017   | 2018   | 2019   | 2019     | Delinquent |
| 1                   | 29-840-09-01-00-0-00-000 | 44,800          | 44,800 | 46,592 | 46,592 | 58,432 | 5,589.49 | 5,589.49   |
| 2                   | 29-840-09-02-00-0-00-000 | 3,519           | 3,519  | 3,648  | 3,648  | 7,296  | 697.92   | 0.00       |
| 3                   | 29-840-09-03-00-0-00-000 | 1,899           | 1,899  | 1,984  | 1,984  | 2,282  | 218.29   | 0.00       |
| Total               |                          | 50,218          | 50,218 | 52,224 | 52,224 | 68,010 | 6,505.70 | 5,589.49   |
| Annual Change %     |                          |                 | 0.00%  | 3.99%  | 0.00%  | 30.23% |          |            |
| Cumulative Change % |                          |                 | 0.00%  | 3.99%  | 3.99%  | 35.43% |          |            |

Appendix C

**Summary of Properties & Blighting Factors Present**

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| No.           | Parcel Address | Parcel APN (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     | Acreage     | Predominance of Blighting Factors Present |
|---------------|----------------|--------------------------|---------------------------------------|---|---------------------------------|------------------------------------|--|-----------|-------------|---|
| 1             | 327 E. 31ST ST | 29-840-09-01-00-0-00-000 | ■                                     | ■   | ■                               | ■                                  | ■  | 4         | 0.30        | ■   |
| 2             | 319 E. 31ST ST | 29-840-09-02-00-0-00-000 | ■                                     |   | ■                               | ■                                  |  | 3         | 0.10        | ■   |
| 3             | 3108 OAK ST    | 29-840-09-03-00-0-00-000 | ■                                     |   | ■                               | ■                                  |  | 3         | 0.09        | ■   |
| <b>TOTALS</b> |                |                          | <b>2</b>                              | <b>1</b>                                  | <b>3</b>                        | <b>3</b>                           | <b>1</b>   | <b>10</b> | <b>0.49</b> | <b>■</b>                                  |
|               |                |                          | <b>0.19</b>                           | <b>0.30</b>                               | <b>0.49</b>                     | <b>0.49</b>                        | <b>0.30</b>  |           |             | <b>0.49</b>                               |
|               |                |                          | <b>38.8%</b>                          | <b>61.2%</b>                              | <b>100.0%</b>                   | <b>100.0%</b>                      | <b>61.2%</b>   |           |             | <b>100.0%</b>                             |

Appendix D

**Certification / Assumptions & Limiting Conditions / Qualifications**

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## Certification

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 our personal, unbiased professional analyses, opinions, and conclusions.
3. We have no present or prospective interest in the property that is the subject of this report, and we have no personal interest with respect to the parties involved.
4. We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
5. Our compensation is not contingent on an action or event resulting from the analyses, opinions, or conclusions in, or the use of, this report.
6. Patrick Sterrett has made a personal inspection of the property that is the subject of this report on February 3, 2020 and on February 14, 2020.
7. This study is not based on a requested result or a specific conclusion.
8. We have not relied on unsupported conclusions relating to characteristics such as race, color, religion, national origin, gender, marital status, familial status, age, receipt of public assistance income, handicap, or an unsupported conclusion that homogeneity of such characteristics is necessary to maximize value.



Patrick Sterrett  
Sterrett Urban, LLC



## Assumptions & Limiting Conditions

This Blight Study is subject to the following limiting conditions and assumptions:

1. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are Sterrett Urban's unbiased professional analyses, opinions, and conclusions.
2. Information provided and utilized by various secondary sources is assumed to be accurate. Sterrett Urban cannot guarantee information obtained from secondary sources.
3. The nature of real estate development is unpredictable and often tumultuous. In particular, the natural course of development is difficult to predict and forecast. Sterrett Urban deems our projections as reasonable considering the current and obtained information.
4. Sterrett Urban has considered and analyzed the existing conditions concerning the subject property within the redevelopment area. We have considered these existing conditions when forming our analysis and conclusions. However, it should be understood that conditions are subject to change without warning, and potential changes could substantially affect our recommendations.
5. Our analyses, opinions and conclusions were prepared in conformance with the Code of Professional Ethics and Standards of the American Institute of Certified Planners.

# Patrick Sterrett, AICP

Principal



Urban Planning & Development Services

**Patrick Sterrett** is a certified urban planner and has more than twenty years of experience forging partnerships, managing complex real estate development projects, and creating exciting, sustainable urban plans and designs. Prior to forming **Sterrett Urban LLC** in 2006, Mr. Sterrett spent eleven years at the Economic Development Corporation of Kansas City, Missouri (EDC) and initiated and/or managed for the public sector some of the largest pioneering redevelopment projects in recent memory in Kansas City and in the country, including the Crossroads Arts District, the Midtown Marketplace (Linwood & Main - Costco and Home Depot), the Power & Light District (Centertainment), the Kansas City Riverfront, the Columbus Park Neighborhood Mixed-Use Village, and the Centerpoint Intermodal Center - KC (former Richards-Gebaur Airport). During his tenure at the EDC, Mr. Sterrett provided staffing to each of the redevelopment agencies (all political subdivisions of Missouri) including the Land Clearance for Redevelopment Authority, the Tax Increment Financing Commission, and the Port Authority, and also served as Executive Director of the Port Authority of Kansas City. Mr. Sterrett's work has been featured in local and national publications, and his work in the Crossroads Arts District and the Power & Light District has been recognized by the International Economic Development Council as exemplary of the most advanced redevelopment methods to revitalize distressed areas.

As Principal of Sterrett Urban LLC, Mr. Sterrett recently developed a financing plan utilizing New Markets Tax Credits, Historic Preservation Tax Credits, tax abatement, City and philanthropic grants to restore the former Linwood Presbytery Church as an \$11 million, 40,000 square foot non-profit healthcare and office campus. Mr. Sterrett also served as financial administrator during construction and managed the satisfaction of all compliance requirements of the government, lenders and investors.

Mr. Sterrett's professional experience includes the development of dozens of feasibility plans, blight studies, and redevelopment plans, and securing more than \$30 million in federal, state, local, and philanthropic funds for public improvements in distressed areas. Most recently Mr. Sterrett has been preparing a redevelopment plan, blight study, and rezoning for the former Bannister Federal Complex in south Kansas City, and a redevelopment plan and development prospectus for the Truman Road Corridor, an inner-city industrial district.

In addition, Mr. Sterrett is currently in the process of continuing his long relationship with the Plaza East Community Improvement District. Mr. Sterrett handled the creation of the district and has provided administrative and management services to the District since 2012.

# Patrick Sterrett, AICP

Principal



Urban Planning & Development Services

## Professional Experience

Sterrett Urban LLC

2006 -

### SELECT EXPERIENCE

#### REDEVELOPMENT PLANNING/BUILDING CONDITION STUDIES

##### Blight Study

Tiffany Landing Community Improvement District; Tiffany Landing, LLC; Kansas City, MO

General Development Plan and Qualifications Analysis (Undeveloped Industrial Area)

Frontage at Executive Park (PIEA), Kansas City, MO

General Development Plan and Qualifications Analysis (Blight)

22<sup>nd</sup>/23<sup>rd</sup> Street Connector (PIEA), Kansas City, MO

General Development Plan and Qualifications Analysis (Blight)

2<sup>nd</sup> Amended Ellison/Knickerbocker (PIEA), Kansas City, MO

##### \*Blight Study

Second & Delaware Development Plan (Chapter 353), Kansas City, MO

##### \*Blight Study

Commerce Tower Redevelopment Area (LCRA), Kansas City, MO

##### \*Blight Study

Key Coalition Neighborhood Urban Renewal Area (LCRA), Kansas City, MO

General Development Plan and Qualifications Analysis (Insanitary Area)

Victory Court (PIEA), Kansas City, MO

General Development Plan and Qualifications Analysis (Blight)

I-35 & W. 13<sup>th</sup> Street (PIEA), Kansas City, MO

\*In conjunction with APD Urban Planning & Management, LLC

# Patrick Sterrett, AICP

Principal



Urban Planning & Development Services

## REDEVELOPMENT PLANNING/BUILDING CONDITION STUDIES (CONTINUED)

General Development Plan and Qualifications Analysis (Blight)  
Troost Bannister (PIEA), Kansas City, MO

General Development Plan and Qualifications Analysis (Insanitary Area)  
Seven301 (PIEA), Kansas City, MO

General Development Plan and Qualifications Analysis (Blight)  
Oxford on the Blue (PIEA), Kansas City, MO

General Development Plan and Qualifications Analysis (Blight)  
1<sup>st</sup> Amended Ellison/Knickerbocker (PIEA), Kansas City, MO

\*Blight Study  
Bannister & I-435 (TIF), Kansas City, MO

General Development Plan and Qualifications Analysis (Blight)  
1<sup>st</sup> Amended Armour/Gillham Corridor (PIEA), Kansas City, MO

Blight Study Addendum (Social Liabilities)  
Armour/Gillham Corridor (PIEA), Kansas City, MO

Blight Study  
Liberty Commons (TIF), Liberty, MO

Blight Study  
Hospital Hill III Urban Renewal Area (LCRA), Kansas City, MO

General Development Plan and Qualifications Analysis (Insanitary Area)  
Hawthorne Road (PIEA), Kansas City, MO

General Development Plan  
Amended/Restated Folgers Coffee Company (PIEA), Kansas City, MO

Blight Study  
Inter-State Building Development Plan (Chapter 353), Abbot Properties, Kansas City, MO

General Development Plan & Blight Study  
39<sup>th</sup> Terrace (PIEA), Kansas City, MO

\*In conjunction with APD Urban Planning & Management, LLC

# Patrick Sterrett, AICP

Principal



Urban Planning & Development Services

## REDEVELOPMENT PLANNING/BUILDING CONDITION STUDIES (CONTINUED)

### Blight Study

Truman–Hardesty (TIF), Kansas City, MO

### Blight Study

Oak Barry Community Improvement District, MD Management, Kansas City, MO

### General Development Plan & Blight Study

Metro North Mall (PIEA), Kansas City, MO

### Blight Study

Metro North Square Community Improvement District, MD Management, Kansas City, MO

### General Development Plan & Blight Study

155<sup>th</sup> & Kensington (PIEA), Kansas City, MO

### Blight Study

Hospital Hill III Urban Renewal Area, Kansas City, MO

### Blight Study Update

Columbus Park Urban Renewal Area (LCRA), Kansas City, MO

### General Development Plan & Blight Study

Troost–Rockhill (PIEA), Kansas City, MO

### Blight Feasibility & Redevelopment Boundary Analysis

Northwest Briarcliff Road Corridor, Kansas City, MO

### General Development Plan & Blight Study

Valentine–Broadway (PIEA), Kansas City, MO

### General Development Plan & Blight Study

Westport–Main (PIEA), Kansas City, MO

### Blight Study

Indiana Corridor Urban Renewal Area (LCRA), Kansas City, MO

### Blight Study

Troost/Paseo Urban Renewal Area (LCRA), Kansas City, MO

### General Development Plan & Blight Study

Blue Valley (PIEA), Kansas City, MO

# Patrick Sterrett, AICP

Principal



Urban Planning & Development Services

## REDEVELOPMENT PLANNING/BUILDING CONDITION STUDIES (CONTINUED)

### Blight Study

Martin City Corridor Urban Renewal Area (LCRA), Kansas City, MO

### Blight Study

Longfellow–Dutch Hill Urban Renewal Area (LCRA), Kansas City, MO

### General Development Plan & Blight Study

Stuart Hall/HD Lee (PIEA), Kansas City, MO

### Blight Study & Urban Renewal Plan

Columbus Park Urban Renewal Area (LCRA), Kansas City, MO

## Economic Development Corporation of Kansas City, Missouri

1995 – 2006

Executive Director, Port Authority of Kansas City, Missouri

Planner / Senior Planner

### Author of the following plans and studies:

Tax Increment Financing Plans / Blight or Conservation Study

Riverfront TIF Plan / Blight Study

74<sup>th</sup> & Wornall TIF Plan / Blight Study (plan not approved)

19<sup>th</sup> Terrace TIF Plan / Conservation Study

22<sup>nd</sup> & Main St. TIF Plan / Conservation Study

47<sup>th</sup> & Roanoke TIF Plan

Prospect North TIF Plan

Jazz District TIF Plan

Pershing Road TIF Plan

### Urban Renewal Plans / Blight

Eastwood Trafficway / Blight Study

South 31<sup>st</sup> Street / Blight Study

Longfellow–Dutch Hill

## Education

Master of Urban Planning, University of Kansas

Concentration: Housing & Community Development

Bachelor of Architecture, University of Kansas