

QUALIFICATION ANALYSIS

(RSMO. CHAPTER 100)

9TH & GRAND PIEA STUDY AREA

**THE SCARRITT BUILDING
818 GRAND BOULEVARD
KANSAS CITY, MISSOURI**



PREPARED FOR:
MR. DAVID P. MACOUBRIE II
EXECUTIVE DIRECTOR
PIEA OF KANSAS CITY, MISSOURI

**THE SCARRITT ARCADE
819 WALNUT STREET
KANSAS CITY, MISSOURI**



**EFFECTIVE DATE:
NOVEMBER 15, 2019
RECORD No. 1721**

**BELKE APPRAISAL & CONSULTING SERVICES, INC.
KANSAS CITY, MISSOURI**

BELKE APPRAISAL & CONSULTING SERVICES, INC.

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

November 15, 2019

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

RE: Qualification Analysis
9th & Grand PIEA Study Area
Scarritt Building & Scarritt Arcade
818 Grand Boulevard & 819 Walnut Street
Kansas City, Missouri 64106

Dear Mr. Macoubrie,

Per our agreement dated October 21, 2019, I am pleased to herewith submit my qualification analysis for the 9th & Grand PIEA Study Area located at 818 Grand Boulevard (Scarritt Building) and 819 Walnut Street (Scarritt Arcade) in Kansas City, Missouri comprised of the following two Jackson County tax parcels and uses:

| Parcel Address | Tax Parcel No. | Property Name | Current Use |
|---------------------|--------------------------|-------------------|----------------|
| 818 Grand Boulevard | 29-220-21-06-00-0-00-000 | Scarritt Building | General Office |
| 819 Walnut Street | 29-220-21-04-00-0-00-000 | Scarritt Arcade | General Office |

Per Jackson County GIS Mapping, the two tax parcels encompassing the study area contain approximately 0.40 acres or 17,523 square feet but are improved with 150,082 gross square feet (above grade) of vertical structures. The city has zoned the entirety of the study area DC-15, Downtown Core-15. The study area is presently held in one ownership (AXIS KC, LLC). Careful inspection of the study area was made on several occasions during October and November 2019. The effective date of this study is November 15, 2019.

The Missouri Revised Statutes provides the statutory definition of a “blighted area” (RSMo Section 100.310 (2)) utilized in my qualification analysis:

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

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Mr. Macoubrie II
November 15, 2019

The 9th & Grand Study Area is improved with two historic (NRHP) office structures dating to 1906 (age=113 years). The Scarritt Building is located at the northwest corner of Grand Boulevard and E 9th Street and the Arcade at 819 Walnut Street. The two structures of 11-story and 4-story design contain a combined 150,082 gross square feet above grade and 116,406 rentable square feet. Due to the advancing age, deterioration, and obsolescence of the two study area office structures, combined with a lack of off-street parking, extended and excessive (93.2%) vacancy has resulted.

The presence of environmental hazards, deteriorating or failing improvements (public and private), abandoned FF&E and trash, trespassing, loitering, illegal camping, and vandalism are safety and sanitary concerns. The current use (lack of use) of the study area is also an economic underutilization, results in unrealized assessment and taxation, delinquent taxes, and lack of housing or employment opportunities.

Census data indicates the population of the downtown loop decreased 3.2% between 1970 and 2010 and that median household income within the downtown loop trails the Kansas City MSA median by 59%.

The 9th & Grand Study Area lies within the Central Business District URA and the Northland Enhanced Enterprise Zone (EEZ) which required findings of blight. The study area is surrounded by approved PIEA, TIF, and URA plan areas which required blight designations. The study area and the immediate neighborhood (Grand Boulevard to McGee Street from E 9th Street to E 7th Street) exhibit numerous negative influences contributing to blight.

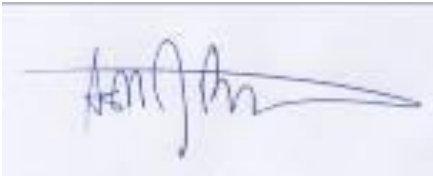
Presently, 4 of the 5 blighting factors contained in the statutory definition are present to varying degrees within the study area and have resulted in economic and social liabilities, retarded the provision of housing accommodation, resulted in economic underutilization, and created a menace to the public health, safety, morals, and welfare.

Therefore, I have concluded the 9th & Grand PIEA Study Area qualifies per R.S.Mo. Chapter 100 as a blighted area as of the effective date of this study.

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

Mr. Macoubrie II
November 15, 2019

Sincerely,
BELKE APPRAISAL & CONSULTING SERVICES, INC.

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

Scott J. Belke, MAI
President
Missouri State Certified General Real Estate Appraiser (Certificate No. RA 001868)
Kansas Certified General Real Property Appraiser (Certificate No. G-1214)

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**PROPERTY
DATA**

The following photographs illustrate conditions existing within the 9th & Grand PIEA Study Area during inspections performed in October and November 2019.

The East Elevation Of The Scarritt Building – 818 Grand Boulevard
Jackson County Tax Parcel 29-220-21-06-00-0-00-000



The North Elevation Of The Scarritt Building – 818 Grand Boulevard
Jackson County Tax Parcel 29-220-21-06-00-0-00-000



The West Elevation Of The Scarritt Building – 818 Grand Boulevard
Jackson County Tax Parcel 29-220-21-06-00-0-00-000



The South Elevation Of The Scarritt Building – 818 Grand Boulevard
Jackson County Tax Parcel 29-220-21-06-00-0-00-000



The West Elevation Of The Scarritt Arcade – 819 Walnut Street
Jackson County Tax Parcel 29-220-21-04-00-0-00-000



The North Elevation Of The Scarritt Arcade – 819 Walnut Street
Jackson County Tax Parcel 29-220-21-04-00-0-00-000



Historic Designation Scarritt Building



Historic Designation Scarritt Arcade



INTRODUCTION

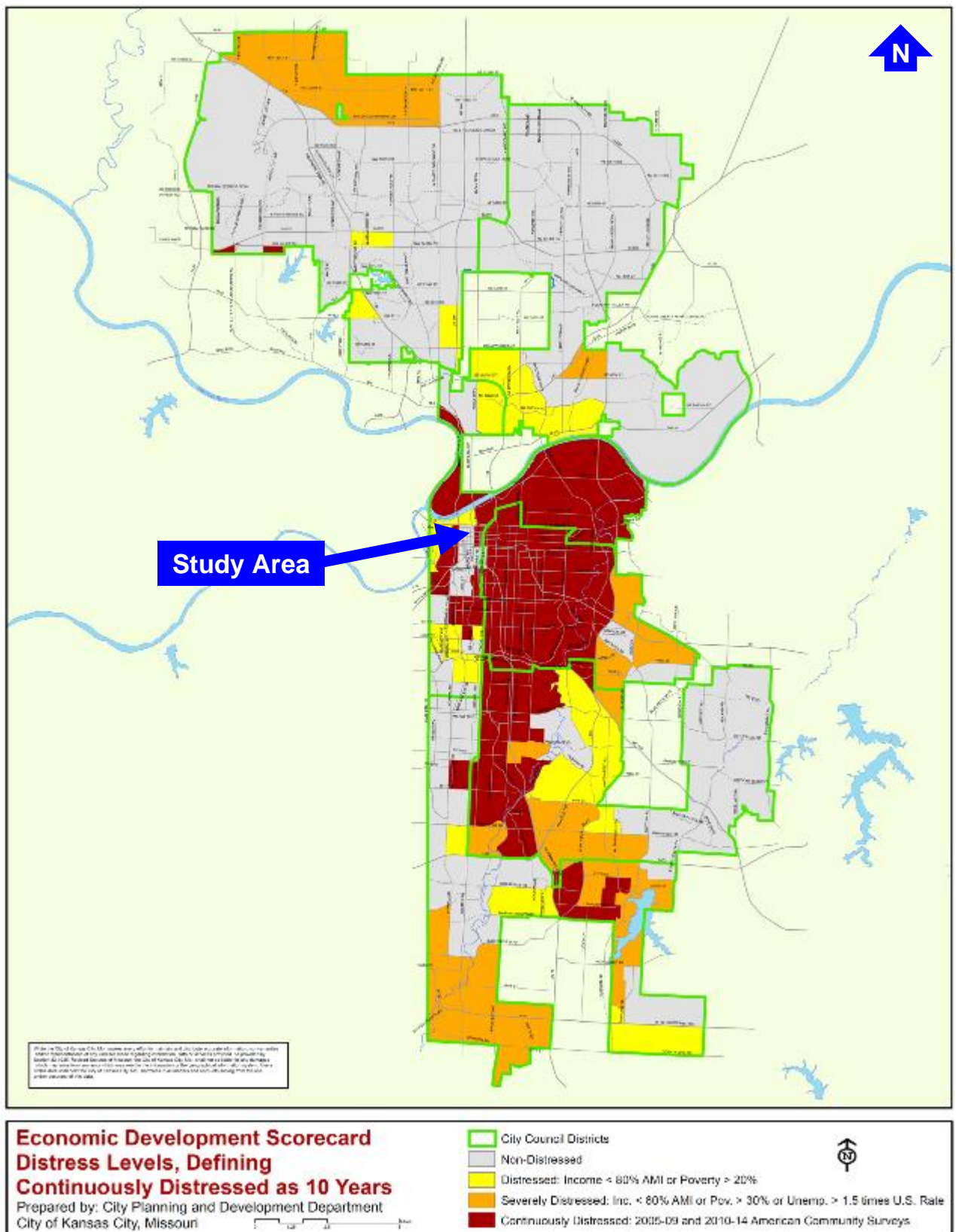
Purpose

The purpose of the present analysis is to determine if the 9th & Grand PIEA Study Area located within Kansas City, Missouri evidences blight per the Missouri Revised Statutes Chapter 100 Industrial Development. The consultant visited the study area and the adjoining neighborhood on several occasions in October and November 2019. The effective date of this study is November 15, 2019. The study area encompasses two adjoining Jackson County tax parcels and the intervening alleyway (vacated). The Scarritt Building comprises the northwest corner of the intersection of Grand Boulevard and E 9th Street (818 Grand Boulevard) and the Scarritt Arcade is located on the east side of Walnut Street (819 Walnut Street) one property north of E 9th Street. Per survey, the study area encompasses 17,885 square feet or 0.41 acres. The study area is located in the north/central portion of the downtown loop, the west/central portion of Kansas City, Missouri, the northwest corner of Jackson County, Missouri and near the center of the Kansas City MSA.

The study area slopes downward from Grand Boulevard to Walnut Street, is served by all utilities, and is zoned DC-15, Downtown Core 15. The study area lies within FEMA Zone X (areas of minimal flood hazard). Both structures within the study area were built in 1906-1907 and are now 113 years in age. The Scarritt Building contains 129,362 gross square feet above grade and 104,750 rentable square feet (81% efficiency). The Scarritt Arcade contains 20,720 gross square feet above grade and 11,656 rentable square feet (low 56% efficiency). The combined building areas total 150,082 gross square feet above grade and 116,406 rentable square feet (78% efficiency). The resulting land-to-building ratio is 0.12 : 1 and the FAR is 8.39 : 1. Both county tax parcels comprising the study area are currently owned by AXIS KC, LLC. The Scarritt Building is presently occupied by two tenants (law firms) with leases containing 5,718 square feet. The resulting vacancy is 94.5%. The Scarritt Arcade has one tenant (dentist) leasing 2,253 square feet. The resulting vacancy is 80.7%. The combined vacancy is 108,435 of 116,406 rentable square feet or 93.2%. The study area lies within Census Tract 157 which is not designated by the city as continuously distressed. However, a large swath of the continuously distressed designation is found east of Oak Street. (See the **Economic Development Scorecard Distressed Levels Map** included on the following page.)

The study area has had a number of ownership transfers in modern times as indicated below:

| Owner | Date | Document | Foreclosure |
|---|------------|--------------|-------------|
| AXIS KC, LLC | 9/12/2019 | 2019E0073169 | No |
| CC Invest, LLC | 8/20/2018 | 2018E0072937 | No |
| Scarritt Building & Scarritt Arcade Building, LLC | 10/19/2015 | 2015E0094052 | No |
| Ozark National Life Insurance Company | 4/27/1990 | K2017/P169 | No |
| Scarritt Operating Company | 10/20/1988 | 1988K0851528 | Yes |
| Scarritt Building Investors, Ltd. | 4/9/1984 | 1984K0607029 | No |
| 9th & Grand Associates | 2/29/1984 | 1984K0601893 | No |
| BOT of Park College | 3/28/1979 | 1979K0400943 | No |
| Graceland College | 12/30/1976 | 1976K0314751 | No |
| UMB of Kansas City | 11/1/1974 | 1974K0244637 | No |
| Independent Specialty Company | 9/3/1969 | 1969K0059171 | No |
| Various | 1/1/1965 | 1965B0505626 | No |



Legal Descriptions

The following legal descriptions for the two county tax parcels comprising the study area were taken from the last deed (Document No. 2019E0073169) recorded at the Register of Deeds in the Jackson County Courthouse:

818 Grand Boulevard:

All of Lots 94, 95, 96 and 97, ROSS & SCARRITT'S ADDITION, a subdivision in Kansas City, Jackson County, Missouri, according to the recorded plat thereof, recorded April 30, 1857, in Plat Book A-1 at Page 29 in the Office of the Recorder of Deeds of Jackson County, Missouri, at Kansas City.

The East ½ of the vacated alley lying West of and adjacent to Lots 94, 95, 96 and 97, ROSS & SCARRITT'S ADDITION, a subdivision in Kansas City, Jackson County, Missouri, according to the recorded plat thereof.

819 Walnut Street:

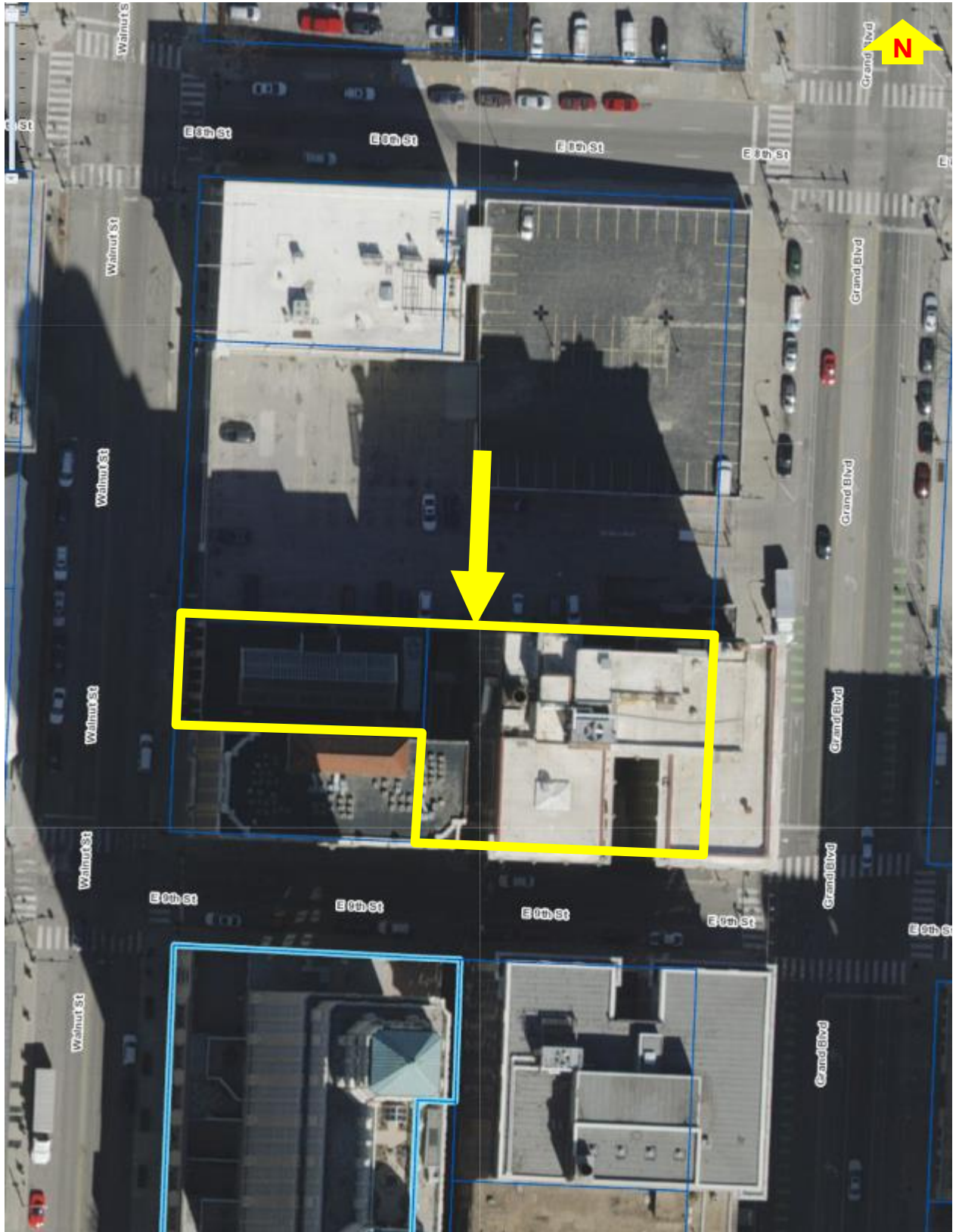
All that tract or parcel of land lying and being in Kansas City, Jackson County, Missouri and being Lots 88 and 89, ROSS & SCARRITT'S ADDITION, a subdivision in Kansas City, Jackson County, Missouri, according to the recorded plat thereof, recorded April 30, 1857, in Plat Book A-1 at Page 29, in the Recorder's Office, Kansas City, Jackson County, Missouri, and as depicted on Certificate of Survey, prepared by The Tuttle-Ayers-Woodward Co., Surveyors, a division of Shafer, Kline & Warren, P.A., Kansas City, Missouri, dated December 11, 1984, which Certificate of Survey is incorporated herein by reference, and being more particularly described as follows:

Beginning at the intersection of the Southeast corner of Lot 89 of the aforesaid subdivision and the West right of way line of a 12 foot alley; thence running North 89 degrees 24 minutes 36 seconds West along the South line of said Lot 89, a distance of 107.29 feet to a point on the East right of way line of Walnut Street, as now established, 80 feet wide (said point is located North a distance of 48 feet along the East right of way line of Walnut Street from its intersection with the North right of way line of 9th Street); thence running North 0 degrees 21 minutes 58 seconds East along said East right of way line of Walnut Street a distance of 48.66 feet to a point on the North line of Lot 88 of the aforesaid subdivision a distance of 106.98 feet to a point on the West line of the aforesaid 12 foot alley; thence running South 0 degrees 00 minutes West along the West line of said 12 foot alley and the East lines of Lots 88 and 89 a distance of 48.93 feet to the Point of Beginning.

The West ½ of the vacated alley lying East of and adjacent to Lots 88 and 89, ROSS & SCARRITT'S ADDITION, a subdivision in Kansas City, Jackson County, Missouri, according to the recorded plat thereof.

The KCMO GIS map section included on the following page provides aerial delineation of the two Jackson County tax parcels while the exhibit on the second following page provides the original plat of ROSS & SCARRITT'S ADDITION.

KCMO GIS MAPPING AERIAL PHOTOGRAPH



[illegible]

PAGE 19

Statutory Definition

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

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

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

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

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

Chapter 100 Redevelopment Rights

Blight Prevention

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

Tax Abatement

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

After completion of the initial 10-year abatement, for an ensuing period not more than 15 years, ad valorem taxes shall be based upon an assessment not to exceed 50% of the true value of the real property including any improvements. After a period not totaling more than 25 years, the real property shall be subject to assessment and payment of all ad valorem taxes based upon the full true value of the real property. By Committee Substitute For Ordinance No. 160383 dated October 6, 2016, the Kansas City, Missouri city council determined “in the absence of Extraordinary Qualifications” the maximum abatement limit in the first 10 years will be lowered from 100% to 75% and from 50% to 37.5% in the following 15 years.

Eminent Domain

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

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

Bond Issuance

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

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

Previous Blight Findings

On November 25, 1968 the city council approved creation of the Central Business District Urban Renewal Area (CBDURA). The CBDURA was included with fifteen other Kansas City, Missouri Urban Renewal Areas. The city council determined it was “desirable and in the public interest that the Land Clearance for Redevelopment Authority of Kansas City, Missouri undertake and carry out the Neighborhood Development Program for the City of Kansas City, Missouri”. On January 17, 1969 in Ordinance No. 36287 the city council declared the following:

That it is hereby found and determined that the Urban Renewal Areas comprising the Program are blighted and insanitary areas and qualify as eligible areas under the Missouri Land Clearance for Redevelopment Authority Law.

The entire study area lies within the CBDURA.

The Old Federal Courthouse PIEA Plan Area is located east across Grand Boulevard from the study area. The study area is surrounded to the east and south by the Grand Boulevard TIF and the Tower Properties TIF. The Waltower Lofts URA adjoins to the west of the Scarritt Building and the south of the Scarritt Arcade. In order to qualify for PIEA, TIF, or 353 designation a finding of blight is necessary. The study area also lie within the Northland Enhanced Enterprise Zone (EEZ). EEZ incentives are designed to encourage job creation and investment by providing tax credits and local property tax abatement to new or expanding businesses located in an Enhanced Enterprise Zone (EEZ). Creation of an EEZ requires a determination of blight, pervasive poverty, unemployment and general distress. The EEZ statutory definition of blight (R.S. Mo. 135.950 (2)) is identical to Section 99.805(1) R.S. Mo. (Real Property Tax Increment Allocation Redevelopment Act – utilized by the Tax Increment Financing Commission of Kansas City, Missouri) and Section 100.310 (2) R.S. Mo. (Industrial Development – utilized by the Planned Industrial Expansion Authority of Kansas City, Missouri). Maps of the approved redevelopment incentive areas and the Northland EEZ with the subject location identified are included on the following pages.

The study area lies 2 blocks west of the Paseo-Gateway/Northeast Opportunity Zone.

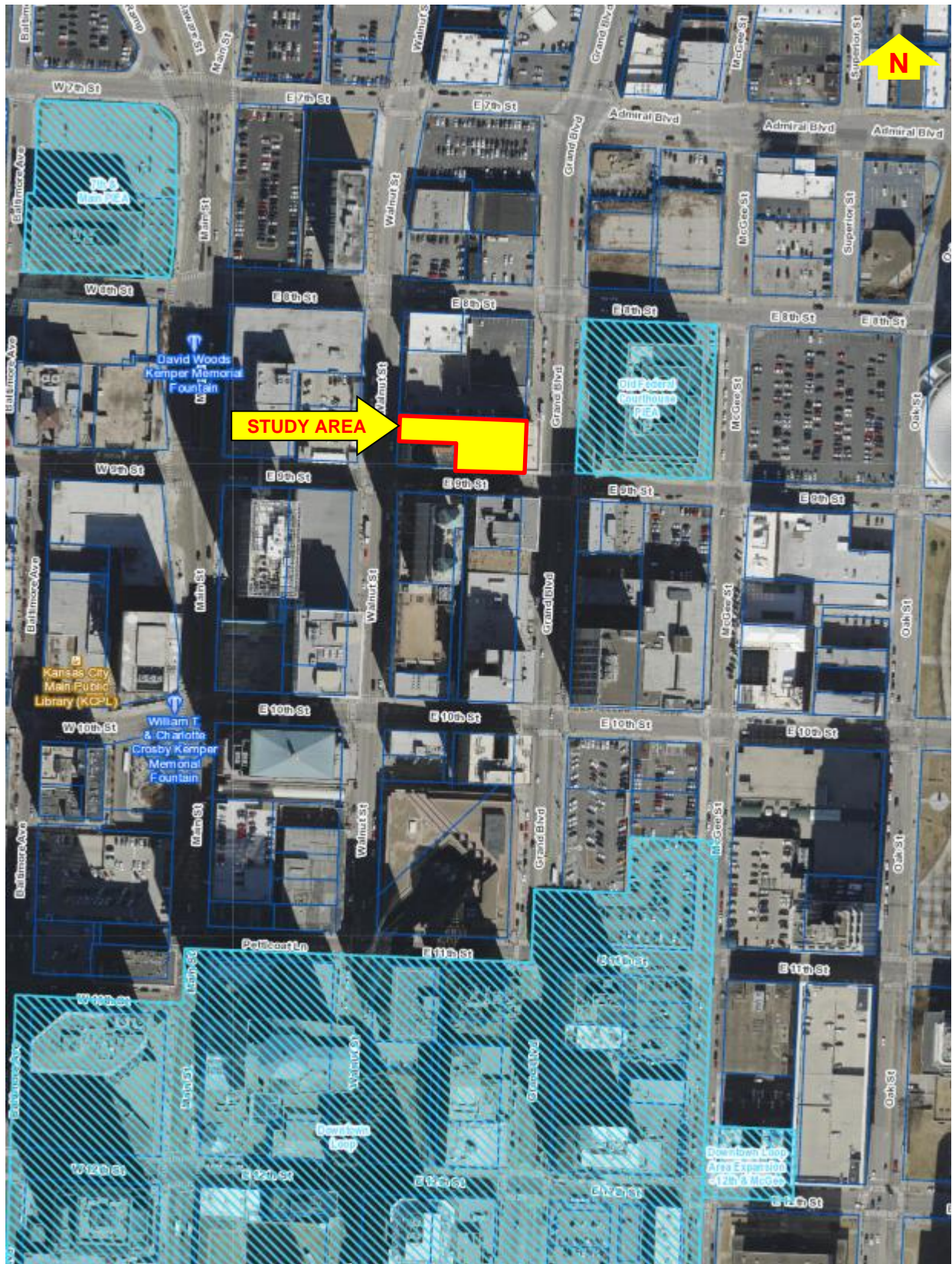
Ownership

The study area was acquired by AXIS KC, LLC from CC Invest, LLC on September 12, 2019 (Document No. 2019E0073169).

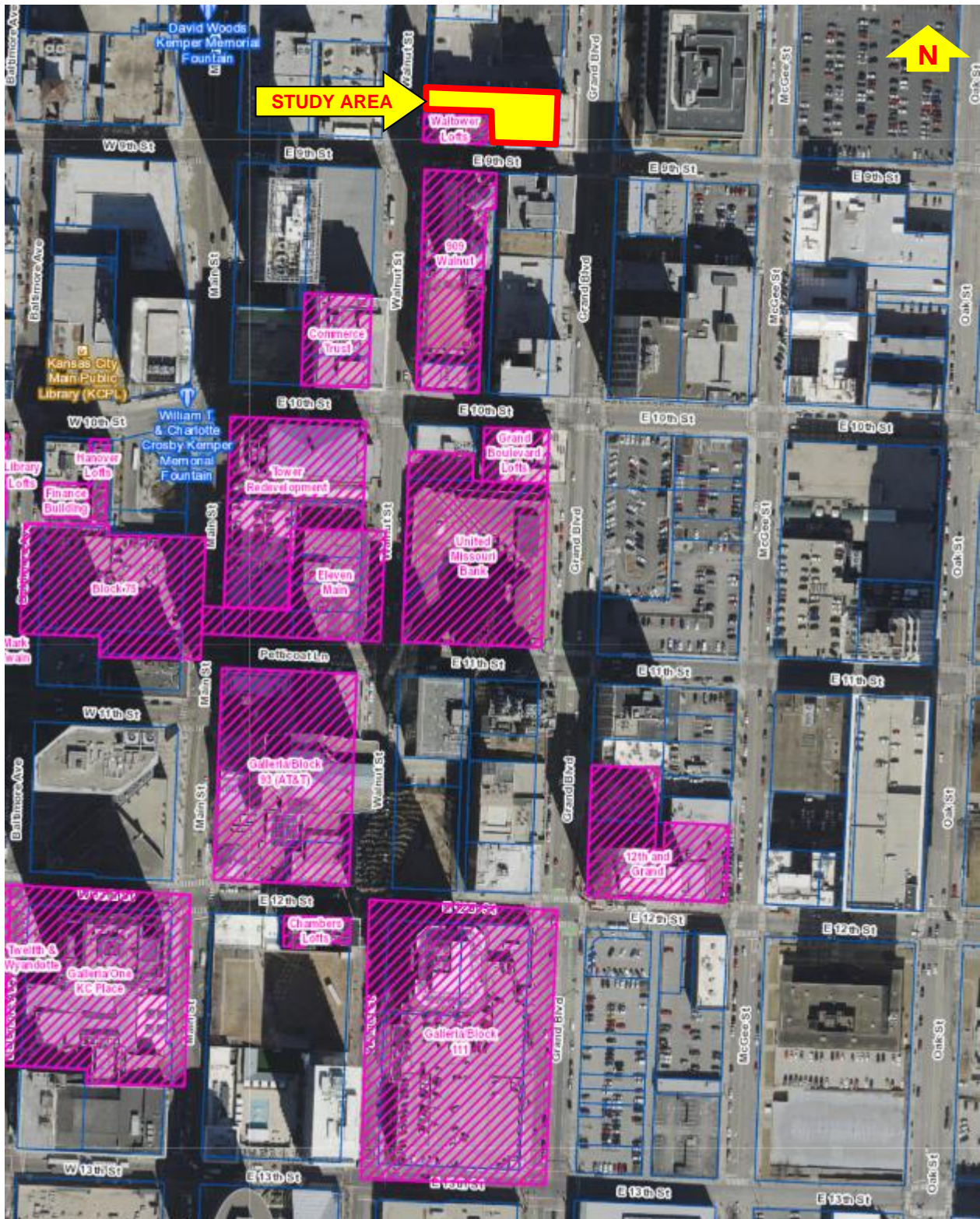
Experience

The consultant has over 25 years of experience preparing blight analyses on properties located within several local municipalities and utilizing various Missouri State Statutes (R.S. Mo. Chapters 99, 100, and 353) and Kansas State Statutes (K.S.A. Chapter 12). A full listing of redevelopment projects for which consulting services have been provided is included with the consultant’s qualifications at the end of the study.

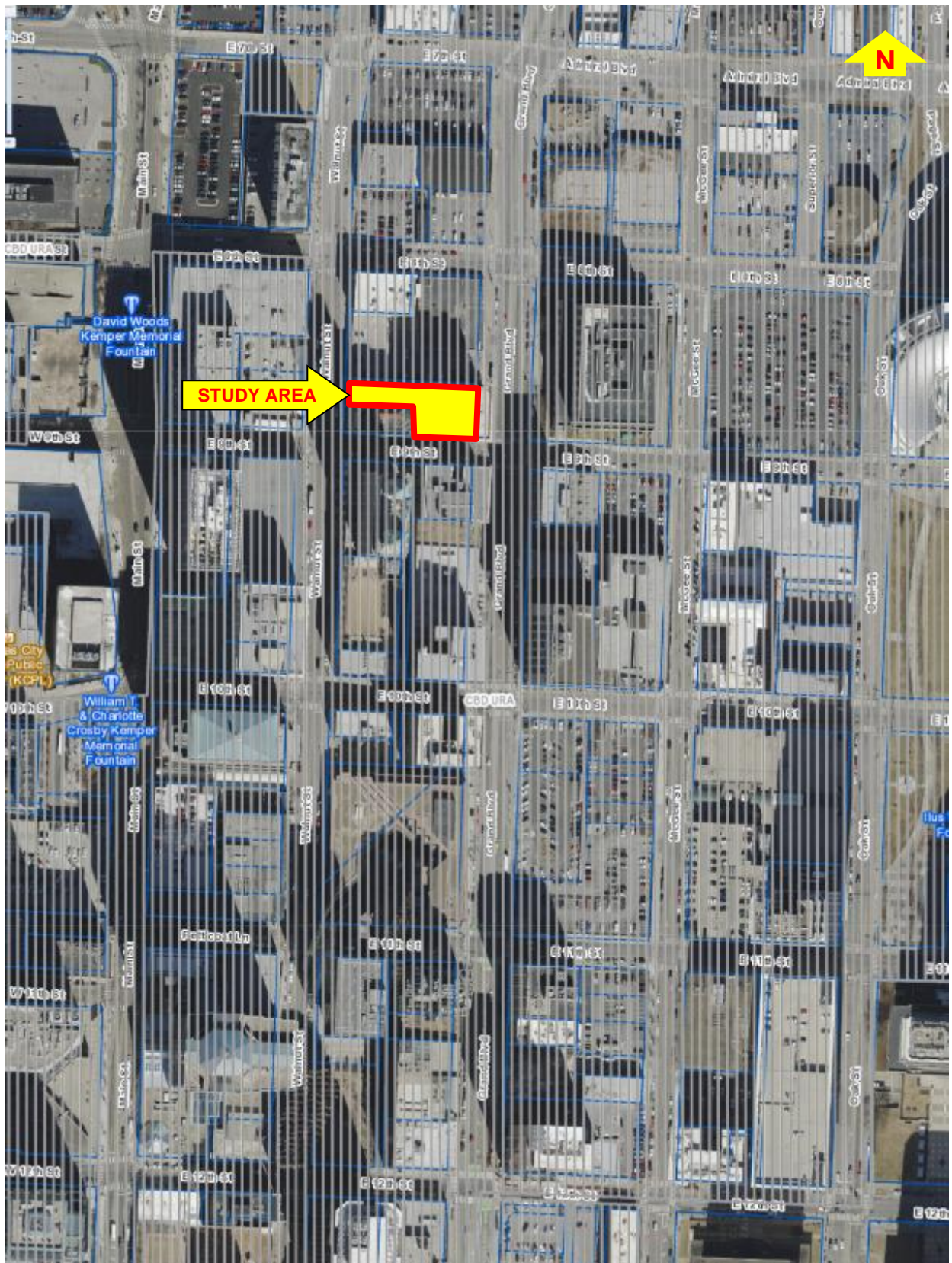
KCMO GIS MAPPING – PIEA OVERLAY



KCMO GIS MAPPING – 353 OVERLAY



KCMO GIS MAPPING – URA OVERLAY



Enhanced Enterprise Zone 1

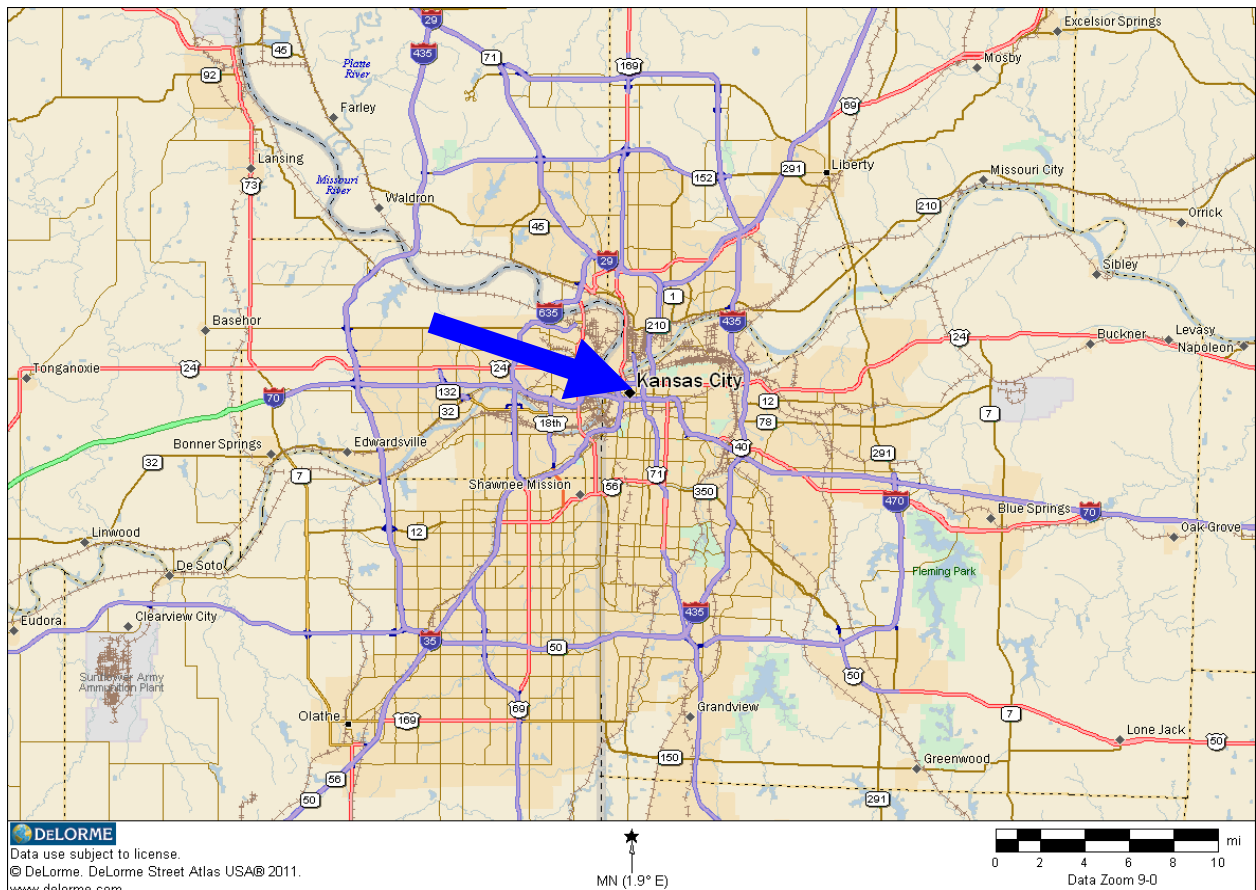


THE CBD NEIGHBORHOOD

Location

The Central Business District (CBD) of Kansas City, Missouri is defined by “the loop” formed by Interstates 29, 35, and 70. The loop is rather tight being just over a mile wide (east/west) and just less than a mile deep (north/south). Freeways radiate out from all four corners of the loop to provide convenient access to the suburbs. KCI Airport is about 15 miles northwest of the CBD via the Broadway Extension and Interstate 29. The CBD is near the south bank of the Missouri River. The center of population for urban Kansas City is perhaps five or six miles south.

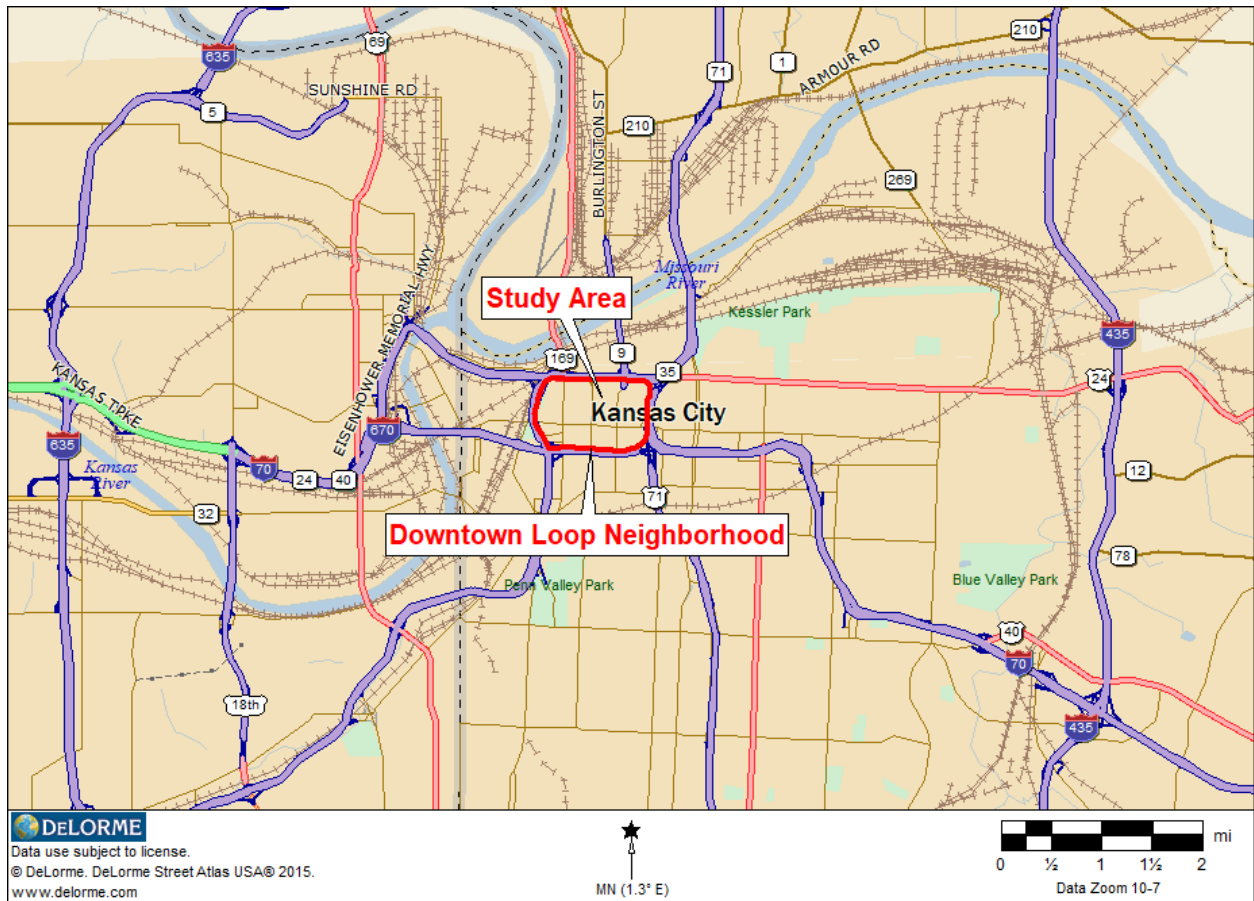
AREA MAP



Access

Federal highways 29, 35 and 70 provide convenient access which is supplemented by US Highways 71 and 169. Interstates 29, 35, and 70 radiate out from the Downtown loop, providing quick access to all but the southeast quadrant of the metropolitan area. Access to the southeast portion of the metro area improved in 2001 with the completion of the Bruce R. Watkins Memorial Drive. The new highway (a.k.a. U.S. 71) connects the southeast corner of the CBD with Interstate 435 and the Bannister Mall neighborhood in the southeast portion of the city. From Bannister Road south US 71 Highway is now designated as Interstate 49.

NEIGHBORHOOD LINKAGE



Access within the greater downtown area was improved with the opening of the starter route of the Downtown Streetcar on May 6, 2016. The initial 2.2-mile line runs largely in Main Street from the River Market (north) to Union Station (south). The streetcar runs in existing street lanes, similar to other vehicles. The streetcar route includes 16 stops, spaced roughly two blocks apart. (A map of the streetcar route is included on the following page.)

The one-millionth streetcar rider was logged October 7, 2016, just 5 months after operations began, and ridership the first year was nearly 2 million trips. By September 28, 2017, the 3 millionth trip was recorded. As of October 31, 2019, total ridership amounted to 7,491,684. The study area is located 1 block east of the streetcar line, but the success of the line has not generated redevelopment within the immediate vicinity of the study area.

The \$102-million starter line is being partially financed by the Downtown Streetcar District which is an approved Transportation Development District (TDD) allowing for assessment of property owners to fund the development of streetcars within the district. Voters rejected an extension of the starter line and TDD but later approved extension of the line south to 51st Street. Planning for the extension is underway but development will be dependent upon obtaining federal funding.

DOWNTOWN STREETCAR ROUTE MAP



Area Development

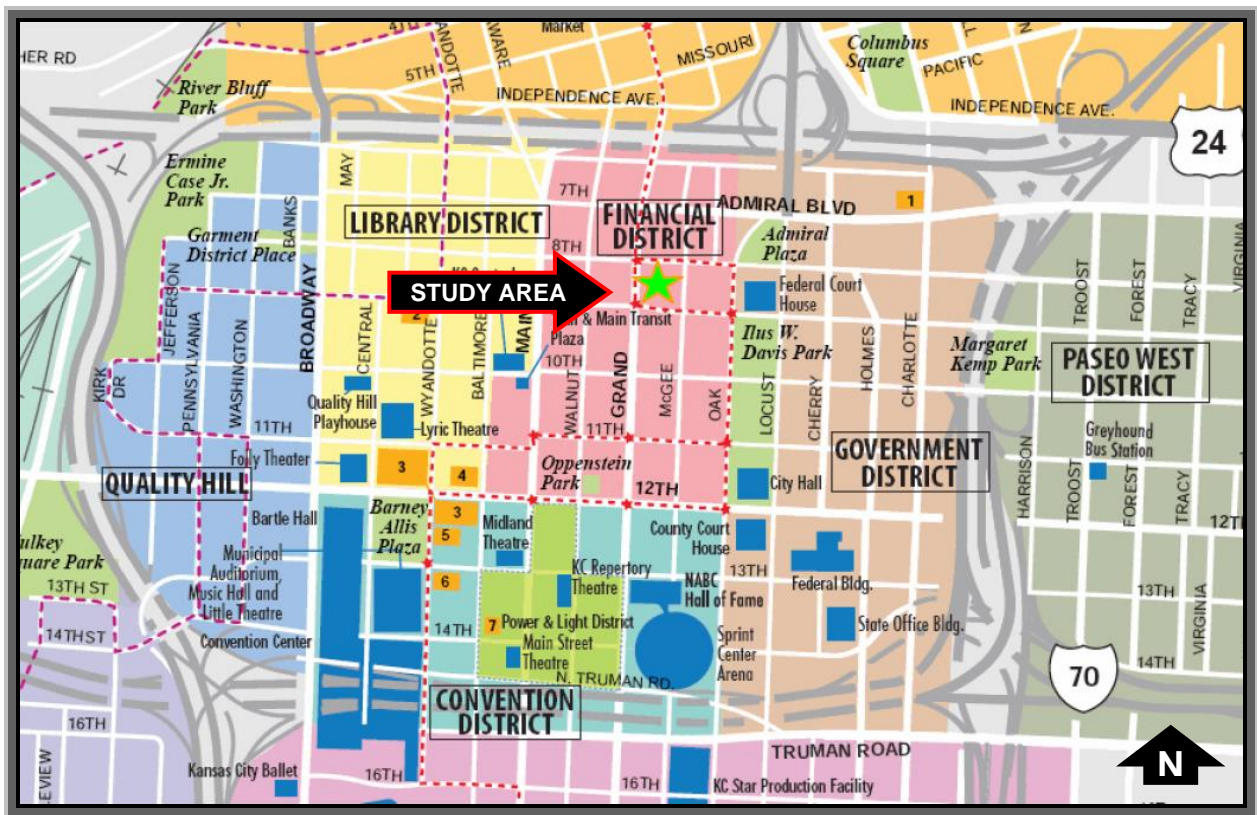
In the past 15 years, it is estimated nearly \$8 billion has been invested in the downtown of Kansas City, Missouri, including \$2 billion invested in the Downtown Streetcar District. In November 2011, *Forbes Magazine* selected Kansas City as having the 7th best downtown in America. A new convention hotel developed by Loews costing \$310 million is under construction and is planned to open in 2020.

100% Corner

The 100% corner is 12th and Main Street. City Center Square (800,000 Sq.Ft.; 1979), Town Pavilion (1,200,000 Sq.Ft.; 1987) and One Petticoat Lane (147,500 Sq.Ft.; 1989) are all near the 100% corner.

Downtown Districts

The downtown loop is divided into 5 districts which are identified by signage. The map below shows the district delineation within the downtown loop which are described thereafter.



Financial

The financial district is on the north side of the CBD along 9th and 10th Streets from Grand Avenue to Baltimore Avenue (includes the study area). Newer development in the financial district includes the Commerce Bank Building at 1000 Walnut Street (eighteen stories, 378,000 Sq.Ft.; \$45 million) and the UMB Bank Building at 1009 Walnut Street (six stories, 255,000 Sq.Ft.; \$28 million). UMB Bank has perhaps extended the financial district to the east with the construction of its data center at 11th & McGee Street (two stories, 200,000 Sq.Ft.; \$32 million).

Government

The east side of the CBD, is most notably occupied by government offices including City Hall, the Jackson County Courthouse, the Missouri State Office Building, the Federal Building, a U.S. Courthouse, and the Federal Aviation Administration. The latter two structures opened in the late 1990s. A landscaped park area (The Civic Mall) covering two city blocks lies between the U.S. Courthouse and City Hall. The main branch of the public library had been in this sector but moved to 10th and Baltimore in 2004. A public parking garage (9 stories, 1,395 spaces) was constructed west of City Hall in 2000. Two older office buildings located south of the county courthouse have been renovated into a Holiday Inn Express (Interstate Building) and Novell Coworking (Kessler Building) office space.

NEIGHBORHOOD MAP



The government sector received a set-back when the Federal Reserve Bank of Kansas City announced their intentions to leave the CBD for a new campus to be constructed on the Trinity Lutheran Hospital site roundly 1.7 miles south of the downtown loop. The building was sold in 2005 but languished until May 2016 when the city approved a redevelopment plan including TIF at an estimated total cost of \$146.5 million. However, redevelopment did not begin until late 2018, costs have risen to \$154 million, and the building is now in process of being converted into a 301-room Embassy Suites. Still, the new Federal Reserve is in close proximity to the downtown, as is, the new Internal Revenue Service Center completed in 2006 on West Pershing Road near Union Station just south of the downtown loop. The \$370-million IRS project was developed by DST Realty with J.E. Dunn Construction as the contractor. The service center employs up to 5,000 IRS employees during tax season. The massive project, which covers 27.5

acres, includes the renovation of the historic Main Post Office (moved to Union Station). The new campus consolidated seven IRS locations in the Kansas City area into a facility containing 1.14 million square feet supported by two parking garages providing a combined 1,900 spaces.

Hotel/Convention

The hotel and convention area sits in the southwest quadrant of the CBD. In early 1990, taxpayers voted a hotel/motel tax increase to double the size of H. Roe Bartle Hall. The expanded Bartle Hall opened in 1994, covers 1,170,000 square feet, and spans the south leg of the loop freeway.

During 1997, 810 newly renovated/constructed hotel rooms located within a block of Bartle Hall came on the market. The smaller of the two projects was a Doubletree Hotel at the intersection of 13th and Wyandotte. It was the result of a \$17-million renovation of the former 492-room Americana Hotel. The Doubletree, which first opened as an Omni in early 1997, has 280 rooms and 100 suites. The Port Authority financed \$15 million of the project's cost through a TIF bond issue. In 2005, the property was re-flagged with the Radisson franchise and subsequently changed to Crowne Plaza.

The second hotel project completed construction in 1998. It too involved renovation of an existing hotel structure but also included some new construction. The Marriott Muehlebach Tower containing 430 rooms is now connected by a skywalk to the Marriott Hotel on the northwest corner of 12th and Wyandotte making the combined offering over 800 rooms. The project cost an estimated \$77.4 million with Kansas City paying roughly half the cost through tax increment financing.

The historic Phillips Hotel (built in 1931) at 12th and Main underwent a \$20-million renovation in 2001. The Phillips is a European-inspired luxury boutique hotel. The property sold again in late 2015 and was renovated into Hotel Phillips Kansas City, Curio Collection by Hilton (216 guest rooms). In August 2002, the city granted \$14.5 million in tax increment revenue bonds to assist the redevelopment of the 15-story President Hotel. The structure was built in 1926 and is listed on the National Register of Historic Places, but the building had been closed since 1980. Because the redevelopers original financing package fell through the \$45-million project stalled. The redeveloper had until August 31, 2003 to line up new financing and move ahead or risk losing the tax incentives. After lining up new financing, the conversion to a 213-room Hilton facility (Hilton Hotel President) proceeded and the property is now operating successfully.

A new convention hotel costing \$311 million is scheduled to open in 2020 just south of the downtown loop between Wyandotte Street, Baltimore Avenue, 16th Street, and Truman Road. The hotel will be flagged as Loews, contain 800 rooms including 47 luxury suites, 450-500 structured parking spaces, 60,000 square feet of meeting space, 6,000 square feet of garden space, and 15,450 square feet of retail/restaurant/bar and lounge space.

Entertainment

In 1996, Centertainment, Inc., a subsidiary of AMC Entertainment, Inc., began efforts to create a multifaceted entertainment development on 22 acres extending from 13th Street to Truman Road and from Grand Boulevard to Wyandotte in the downtown of Kansas City, Missouri. The Kansas City TIF Commission endorsed the \$400 million project with \$185 million in public financing. Named the Power & Light District, the project was to have as its centerpiece a new 30-screen AMC movie theater.

Unfortunately, the project never materialized and the proposed area continued to suffer until the city revived the project by appointing Baltimore-based The Cordish Company as new developers. The Kansas City Power & Light Entertainment District is now envisioned as an \$850-million entertainment district encompassing nine square blocks of restaurants, clubs, retail, and office space. The first phase of the district was completed in early 2008 and totals approximately 500,000 square feet. The second phase will contain 1,000 residential units and approximately 1 million square feet of office space. The Power & Light District features innovative architecture, open storefronts, broad brick paved sidewalks, extensive landscaping, fountains and parks. The district also features outdoor seating for the restaurants and a permanent performance stage providing live entertainment. The entertainment district reportedly generated an estimated 9 million patrons in 2014 but the city paid \$14.9 million from its general fund to cover shortfalls in originally projected tax revenues, a figure that fell to \$8.5 million in 2015. The city holds debt on the development through 2040 and will have to cover all shortfalls.

In July 2005, AMC Entertainment re-entered the downtown revitalization picture by announcing plans for renovation of the Empire and Midland Theatres. The project was a \$60-million joint venture with The Cordish Company. AMC renovated the historic Empire Theatre into a six-screen movie theater using state-of-the-art digital technology (which they subsequently sold to Alamo Drafthouse Cinema). The historic Midland Theatre, renovated at a cost of \$28 million into The Midland by AMC, has reopened with 1,300 to 3,000 seats for concerts, shows, and corporate or private events.

In August 2004, Kansas City area residents voted to revitalize the urban core and strengthen the Power & Light District by approving an amendment for a new downtown arena to cost \$250 million. The state-of-the-art, 20,000-seat arena serves as an anchor to the Power & Light district. Overland Park, Kansas-based Sprint Corporation committed \$2.5 million per year for 25 years for naming rights of the arena (Sprint Center). The City of Kansas City and AEG (one of the world's leading sports and entertainment presenters) partnered in the development, operation and management of the new arena. A professional basketball or hockey franchise was originally envisioned for the arena but has not come to fruition. However, from its opening in late 2007, Sprint Center has become the 6th busiest arena in the nation and 22nd amongst worldwide venues (Pollstar Magazine). The Sprint Center opened with a concert by Elton John that was followed by a string of nine sold-out concerts by Garth Brooks.

In addition, part of the Sprint Arena features the National Collegiate Basketball Hall of Fame, sponsored by the Kansas City-based National Association of Basketball Coaches. The \$20-million Hall of Fame, developed by New York-based Edwin Schlossberg Inc., includes memorabilia, exhibits and induction ceremonies of legendary college basketball players and coaches. In November 2006, the NABC inducted the 2006 Founding Class of the Hall of Honor, including Oscar Robertson, Bill Russell, Dean Smith, John Wooden and the family of Dr. James Naismith. The Hall of Fame was projected to draw at least 150,000 visitors annually.

POWER & LIGHT DISTRICT



Jackson County has one riverboat gaming facility, Isle of Capri, which opened in June 2000 (as a Hilton casino). The gaming facility houses 45,300 square feet of gaming space, 1,407 electronic gaming devices, 42 table games, and a parking garage. In FY 2018, the facility generated 1,970,432 admissions (an 8% decline), adjusted gross revenues of \$70,182,326 (a 6% decline), and win per admission of \$35.62. Unfortunately, the Isle of Capri is consistently the poorest performing of the four gaming facilities in the Kansas City metropolitan area and Hollywood Casino opened in February 2012 at the Kansas Speedway in Kansas City, Kansas. The Speedway casino will soon add a Hard Rock Café hotel (10 stories, 230 rooms).

Kansas City residents enjoy a wide variety of cultural amenities. The arts are adequately supported and of considerable prestige. Particularly well respected is the Nelson-Atkins Museum of Art that houses one of the world's finest Oriental collections. The Nelson completed a major renovation and expansion in 2007 financed by a capital campaign that generated \$200 million for construction and endowments. In 2007, TIME Magazine ranked the museum's new Bloch Building, # 1 on the "The 10 Best (New and Upcoming) Architectural Marvels" list. The Metropolitan Kansas City Performing Arts Center recently opened on 17.6 acres in the south end of the downtown loop. World-renowned architect Moshe Safdie designed the \$326-million arts project. The design includes an 1,800-seat proscenium theater, a 1,600-seat concert hall, and 600 underground parking spaces. The city added a 1,000-space parking structure to the east of the center. A second phase would add a 500-seat multipurpose theater. Groundbreaking for the center occurred on October 6, 2006 with opening in September 2011. In the first 12 months of operations the center welcomed 448,000 guests. A structure near Union Station has been renovated at a cost of \$31 million to become the new home of the Kansas City Ballet.

The former First National Bank building located at the northeast corner of 10th Street and Baltimore Avenue was converted into a state-of-the-art library facility. The \$50-million project encompasses 190,000 square feet and houses a coffee shop, art displays, meeting rooms, a community auditorium, technology training center and research archive. The project also includes a 500-space parking facility west across Baltimore Avenue with an exterior resembling stacked books on a shelf.

Citizens voted against building a new baseball stadium downtown in favor of refurbishing the Truman Sports Complex in eastern Kansas City at a cost of \$850 million. However, brainstorming has begun concerning removing the north end of the downtown loop and perhaps creating space for a downtown ballpark when the current lease expires in 2031.

Sea Life Aquarium and LEGOLAND Discovery Center opened in Crown Center in 2012. Crown Center is located just south of the downtown loop. The two entertainment features each cost roundly \$15 million and took just over a year to generate 1,000,000 visitors. Sea Life Aquarium contains over 260,000 gallons of water within a 28,000-square-foot area supporting over 5,000 sea creatures. LEGOLAND Discovery Center is a \$15 million, 30,000-square-foot multifaceted attraction.

Retail

When The Jones Store departed its CBD location in January 1998 and the building was demolished, it essentially marked the end of retailing as a measurable sector within the downtown loop. With the dawning of the Power & Light District, Sprint Center, and increasing downtown residency, retailing has made a small return. Presently, the Power & Light District

lists 10 retailers, 23 restaurants and bars, and 13 nightlife and entertainment uses. However, the Crown Center, River Market, Crossroads, Southwest Boulevard, and The Country Club Plaza provide stiff competition to downtown retailers and restaurants. One large hurdle was overcome in 2009 when Cosentino's Food Stores opened a gourmet grocery near 13th and Main. The 30,000-square-foot grocery store has an upscale adult swimming venue on the roof. CB Richard Ellis (CBRE) in their *MarketView 3Q/2019* reports the downtown retail market contains 2,158,049 square feet with vacancy of only 1.7%.

Office

CBRE in their *MarketView 3Q/2019* indicates the downtown office market contains approximately 12.4 million square feet of office space with 16.1% of the space now vacant and 16.5% available for rent. These figures reflect a decrease since 1Q 2009 of 3.1 million square feet (mostly converted to residential or lodging space) yet increased vacancy of 2.45 percentage points. The current vacancy rate downtown is considerably higher than the metropolitan average of 13.2% and availability rate of 14.7%. The average rent for the downtown submarket of \$20.48 per square foot is slightly lower than the metropolitan average of \$20.59 per square foot.

Recent CBD office developments include the new headquarters building of Kansas City Southern (2002; 128,000 Sq.Ft.) located at 11th and Washington. DST Realty owns the structure that sits atop an 875-space, four-level parking garage built with \$15.3 million in tax increment financing. The total project cost was reportedly \$42.9 million.

H&R Block Inc. opened its new corporate headquarters building containing 525,000 square feet in a 17-story elliptical glass structure at the southeast corner of Main Street and 13th Street in 2007. The new headquarters joins the Sprint Center as the centerpieces of the Power & Light entertainment district. Block's new headquarters includes an underground, seven-level garage with 1,250 parking spaces and the building's first floor features a variety of restaurants and retail stores. The \$140-million investment brought more than 1,200 employees to the district and helped generate taxes that can be diverted to support construction of additional parking garages and public amenities. A future expansion of between 250,000 and 350,000 square feet was planned to the west and tentatively scheduled for 2013. However, the project never materialized.

JE Dunn Construction Company completed its new headquarters at 9th & Holmes adjoining the Ilus W. Davis Park in 2009 at a cost of roundly \$50 million (financed in part by \$12.7 million in new markets tax credit-enhanced debt). The design of the 5-story, 204,000-square-foot headquarters building complements the existing architecture of City Hall, the Federal Courthouse, the Department of Transportation, and will anchor the new East Village development. The project also includes a 780-space parking structure that will be utilized by JE Dunn Construction and the public. The headquarters building is designed for LEED Gold certification (the first corporate headquarters in Kansas City, Missouri to earn the certification).

In 2013, the GSA announced a lease for 140,000 square feet of office space in the Two Pershing Square office building (near Union Station) for 20 years at an average rent of \$14.75 per square foot. GSA expects to house roundly 800 workers in the building by 2015. The GSA had previously expressed a desire to build a downtown headquarters building. In October 2019, the GSA leased 120,000 square feet at 805 Pennsylvania Avenue in the northwest corner of the downtown on behalf of the USDA which is moving employees from Washington D.C. The Port Authority of Kansas City (AIM Zone) will provide incentives of \$19.7 million for the relocation.

The first new office tower in the downtown since 1991 was announced in 2018 by a partnership among developer Copaken Brooks, Jury & Associates, and H&R Block, Inc. “Strata” will rise 25 stories above 13th and Main Streets and contain 250,000 square feet. The structure will stack a 750-space parking garage on existing retail at the corner and then put office space on top of the parking. The projected cost is \$94 million or \$376 per square foot. The city council recently approved the project with considerable discussion after public incentives were decreased.

Residential

Beginning in the mid-1980s, numerous loft warehouses in the Historic Garment District in the northwest quadrant of Downtown Kansas City underwent renovation for use as either apartments or offices. In keeping with the real estate market at the time, most of the renovations were tax motivated and subsequently failed. Quality Hill, one of the successful projects, contains 466 units consisting of condominiums, market-rate apartments, and affordable housing in renovated and new building.

Perhaps the most significant development in the CBD in recent years is a new wave of residential loft renovations and new construction occurring in the northwest portion of the CBD (and River Market) and moving south. As the “back-to-the-city” movement gains momentum numerous vacant office structures are being redeveloped as residential buildings. The Downtown Council of Kansas City now estimates that approximately 10,000 residents have moved to Kansas City’s urban core in recent years (increasing residential population to over 28,000 residents in the broader downtown area with 40,000 as the eventual goal) and that well over \$2 billion has been contributed toward residential development downtown since 2000 with another \$500 million under construction. Initial offerings were focused on “for sale” condominiums but with the recession and housing market demise apartment use is now the preferred conversion.

Most of these units are conversion units involving the reuse of blighted structures or poorly occupied office structures. The loft conversions include both small buildings of 4 to 50 units and larger structures such as the 35-story Fidelity National Bank & Trust Building which is now officially the tallest apartment building (909 Walnut) in the state of Missouri. 909 Walnut is a \$64-million project that created condos, apartments, and office suites. The property includes \$600,000 and \$1,200,000 penthouses. The property was offered at \$50.0 million. The buyer (Worcester Investments), paid \$43.4 million for the tower and \$6.9 million for an adjoining parking garage and 9-story office building in December 2018.

The Commerce Tower office building located at 911 Main Street was purchased and converted at a cost of \$139 million (LEED Silver Certification) into 342 residential units and education, office, and retail space. The historic Power & Light Building sold to NorthPoint Development who converted the 30-story building (285,000 Sq.Ft.) into 210 luxury apartments while adding a northerly adjacent structure containing 81 new apartment units, 6,700 square feet of new retail, and 500 structured parking spaces. Total development costs were reportedly \$70 million. Other residential conversions include the historic Folgers building (146 market-rate apartment units; \$35 million), the Argyle Building (126 market-rate apartment units and 8,700 square feet of commercial space), Traders On Grand (203 market-rate units; \$69 million), Brookfield Building (118 hotel rooms and 27 apartments; \$36 million), and Hotel Muehlebach (191 units).



Cordish Co. released plans in August 2013 for a new 25-story, 316-unit apartment tower to be developed at 13th and Walnut. The \$79.2-million One Light apartment tower was approved for 25-year, 100% property tax abatement by the Planned Industrial Expansion Authority of Kansas City, Missouri (valued at \$2.87 million) and \$7.5 million in direct cash assistance from the city. Units at One Light average 850 square feet in size and project amenities (28,000 Sq.Ft.) include rooftop pool, fitness center, display kitchen, library, theater room, and 4th-level social space. Parking is in an adjoining garage. Cordish increased the number of penthouse units from 10 to 24 due to stronger than expected demand for the units renting for up to \$3,400 per month. Soon after completion, Cordish responded to the demand by breaking ground for Two Light (24 stories and 296 units, \$110 million) which opened in 2018 and reached 96% occupancy by April 2019 and initiating planning for Three Light (300 units, \$130 million). Average rents at One Light are now \$2.04 per square foot and a higher \$2.30 per square foot at Two Light (penthouse units rent for \$6,000 per month). Three Light (\$300 units; \$130 million) was approved in 2018 with public incentives for the parking garage (\$17.5 million) and should open in 2020.

The Downtown Council (DTC) has released their *Downtown Kansas City 2019 Downtown Kansas City Housing Report* which indicates a downtown population of 28,148 residents and a median household income of roundly \$43,600. A breakdown by property type within the greater Downtown neighborhood (per DTC) is included in the table below.

DOWNTOWN HOUSING INVENTORY

| Property Type | Units |
|------------------------------|---------------|
| Market-Rate Apartments | 8,456 |
| Market-Rate Condos/SFR | 2,313 |
| Income-Restricted Apartments | 2,105 |
| Total | 12,874 |

The DTC reports downtown multifamily units are currently 93% occupied. The DTC also reports 1,923 units are under construction in the greater downtown neighborhood at an estimated cost of \$481 million with another 2,752 units planned at a cost of \$490 million.

Central Business District Trends

Businesses

Compared to before World War II, Downtown is no longer the center of business activity in the metropolitan area. However, the area extending from The River Market to Crown Center, which includes Downtown, remains home to an estimated 2,500 businesses. Moreover, the CBD continues to be the center of financial, legal, and government affairs in the metropolitan area.

Employment

According to the Downtown Council, employment in the “heart” of the metropolitan area currently stands at roundly 120,000, up nearly 50,000 from a decade ago.

New Construction

On the following page is a summary of significant new construction completed in the CBD since 1990. The last speculative office project to measure over 500,000 square feet is 1201 Walnut (built in 1991). Nevertheless, the CBD continues to experience a development and redevelopment. Much of the new construction activity was supported by tax increment financing. Unitog (75,000 Sq.Ft.) opened in 1997, IFTC (125,000 Sq.Ft.) opened in 1998 and immediately followed up with a second similar building. New headquarters have been built for Kansas City Southern (2002), H&R Block (2007), and JE Dunn Construction Company (2009). The Power & Light District and the Sprint Center opened in 2007. The Kaufmann Center For The Performing Arts (2011) is world renown and three new apartment towers (One Light, Two Light, Three Light) will add 912 apartment units. The table on the second page following summarizes the approved TIF plans within the downtown loop which constitute over \$4.7 billion in proposed investments. The expenditures to date are well over \$1 billion.

MAJOR NEW CONSTRUCTION PROJECTS WITHIN THE CBD

| New Construction Project | Property Type | Size | Completion |
|---|-----------------------|--|-------------------|
| 1201 Walnut SEC 12 th & Walnut | Office | 530,000 SF | 1991 |
| Bank Street Garage 8 th & Bank | Parking | 411 Spaces | 1995 |
| 333 West 11th Street 11 th & Broadway | Office | 100,000 SF 500 Spaces | 1996 |
| TransAmerica Garage 10 th -11 th , Main-Baltimore | Parking | 475 Spaces | 1998 |
| C.E. Whittaker Federal Courthouse 9 th & Oak | Courthouse | 600,000 SF | 1998 |
| Unitog Office Building 14 th & Washington | Office Parking | 75,000 SF 225 Spaces | 1998 |
| IFTC Center 9 th & Pennsylvania | Office Parking | 150,000 SF 1,232 Spaces | 1998 |
| Muehlebach Hotel Twelfth & Wyandotte | Hotel | 450 Rooms | 1998 |
| Utilicorp Garage 8 th & Main | Parking | 540 Spaces | 1998 |
| UMB Technology Center 1008 Oak Street | Office Parking | 200,000 SF 700 Spaces | 1999 |
| Federal Aviation Administration Ninth & Locust | Office Parking | 190,000 SF 100 Spaces | 1999 |
| Federal Bureau of Investigation Mulkey Square | Office Parking | 80,000 SF 147 Spaces | 1999 |
| Tower Properties Garage 9 th & Walnut | Parking | 624 Spaces | 1999 |
| Poindexter Garage 9 th & May | Parking | 1,000 Spaces | 1999 |
| Kansas City Southern Headquarters 11 th & Washington | Office Parking | 128,000 SF 875 Spaces | 2002 |
| Tower Properties Garage 8 th & Walnut | Parking | 324 Spaces | 2004 |
| City Hall Parking Garage 12 th & Oak | Parking | 1,350 Spaces | 2004 |
| Sprint Center 11 th & Walnut | Entertainment | 20,000 Seats | 2007 |
| H&R Block Headquarters 13 th & Main | Office Parking | 525,000 SF 1,250 Spaces | 2007 |
| JE Dunn Construction Company Hdqtrs. 9 th & Holmes | Office Parking | 204,000 SF 780 Spaces | 2009 |
| Kauffman Center for the Performing Arts 16 th & Broadway | Entertainment Arts | 3,400 Seats 1,600 Spaces | 2011 |
| One Light Residential Tower 13 th & Walnut | Residential Tower | 318 Units 432 Spaces | 2015 |
| Power & Light Apartment 6-Story Addition 13 th & Baltimore | Mixed Use | 81 units 6,700 Sq.Ft. 500 Spaces | 2017 |
| Two Light Residential Tower 14 th & Grand | Residential Tower | 296 Units 499 Spaces | 2018 |
| Loews Convention Hotel 16 th & Baltimore | Convention Hotel | 800 rooms 60,000 Sq.Ft. 500 Spaces | 2020 |

APPROVED CENTRAL BUSINESS DISTRICT TIF PLANS

| Plan Name | Date Plan Approved | Total Project Costs | TIF Reimbursable Project Costs |
|----------------------------------|---------------------------|----------------------------|---------------------------------------|
| 11th Street Corridor | 12/10/1992 | \$267,936,524 | \$102,274,030 |
| 1200 Main/South Loop | 3/4/2004 | 711,373,323 | 318,999,433 |
| 12th & Wyandotte | 12/10/1992 | 69,053,780 | 21,217,500 |
| 13th & Washington | 9/19/1996 | 12,185,375 | 3,612,500 |
| 811 Main | 1/5/2006 | 24,980,050 | 6,588,150 |
| 9th & Central | 11/26/2013 | 47,500,000 | 16,074,014 |
| Americana | 1/28/1993 | 9,021,950 | 9,021,950 |
| Baltimore Place | 2/2/2006 | 16,001,872 | 5,144,423 |
| Civic Mall | 12/8/1994 | 9,686,974 | 2,255,746 |
| Commerce Tower Village | 6/24/2016 | 137,712,726 | 12,000,000 |
| Downtown Library | 11/26/2002 | 23,967,786 | 7,230,216 |
| East Village | 4/5/2006 | 49,425,864 | 19,235,755 |
| Gailoyd (Power & Light Building) | 3/27/2002 | 306,999,486 | 19,235,000 |
| Grand Boulevard | 11/26/1996 | 7,791,174 | 2,327,109 |
| Grand Reserve | 5/12/2016 | 148,509,612 | 12,568,844 |
| Hotel Phillips | 4/6/2000 | 30,818,507 | 22,429,529 |
| Judicial Square | 5/22/2003 | 4,396,735 | 687,498 |
| KC Convention Center Hotel | 7/23/2015 | 286,023,132 | 35,000,000 |
| New England Bank Building | 11/2/2000 | 11,842,661 | 3,116,678 |
| New York Life | 12/21/1994 | 31,254,120 | 16,516,500 |
| Tower Properties | 11/27/1995 | 114,075,701 | 52,334,922 |
| Total | | \$2,320,557,352 | \$687,869,797 |

It is estimated by the TIF Commission that over \$1 billion has been expended in these 21 approved downtown TIF plans.

Parking

According to the Downtown Council, the downtown loop is served by 31 parking garages containing 20,084 spaces and 24 surface lots containing 3,010 spaces for a total of 23,094 spaces. Some debate exists whether the provision is adequate. The city believes the provision is adequate but would like to improve accessibility (the city expresses a desire to create five minute walking radii within each district in the loop) as much of the provision is located in the north or south portions of the loop. The monthly parking rates range from roundly \$30 to \$125. Many parking rates are less than \$85 per month. Consequently, despite reportedly strong parking occupancy, the current rental rates cannot support new construction of garages without government assistance (e.g., tax increment financing).



Kansas City considered creating a Neighborhood Improvement District that would assess all Downtown buildings \$0.05 per square foot per year and apply the proceeds to a parking authority. However, property owners with adequate parking were opposed to the idea. In 2004, the city constructed a 1,350-space garage just west of city hall and Tower Properties built a 324-space, six-level garage at the northwest corner of 9th and Walnut Streets. Tower Properties obtained \$5.3 million in tax increment financing to assist development of the garage. The dated restaurant structure housing Italian Gardens at 1110 Baltimore Avenue was demolished to make room for a six-level, 240-space parking garage. The owners of City Center Square purchased the site and obtained \$5.5 million from the TIF Commission to finance the \$6-million structure. The parking garage provides much needed parking for the office tower. The city had previously acquired the old Jones Store site from the owners of City Center Square via eminent domain for the new H&R Block office building. The renovation of the Kansas City Power & Light building included a new structure containing 81 apartment units wrapping the exterior of a 500-space parking garage.

Neighborhood Demographics

The age and urban core location of the CBD give rise to a mixed set of demographics. The following tables provide population, households and income trends for the five census tracts (1970-2000) or three census tracts (2010) comprising the CBD (from US Census Bureau).

| Census Tract | Population | | | | |
|-----------------|--------------|--------------|--------------|--------------|--------------|
| | 1970 | 1980 | 1990 | 2000 | 2010 |
| 11 | 2,410 | 1,948 | 1,504 | 1,374 | 1,709 |
| 12 | 651 | 590 | 673 | 601 | |
| 13 | 1,442 | 1,619 | 1,013 | 835 | |
| 14 | 753 | 816 | 853 | 828 | |
| 28.01 | 197 | 80 | 2 | 2 | |
| 157 | | | | | 1,886 |
| 159 | | | | | 1,683 |
| Total | 5,453 | 5,053 | 4,045 | 3,640 | 5,278 |
| % chg. | | -7.3% | -19.9% | -10.0% | +45.0% |
| chg. '70 to '10 | | | | | -3.2% |

| Census Tract | Households | | | | |
|-----------------|--------------|--------------|--------------|--------------|--------------|
| | 1970 | 1980 | 1990 | 2000 | 2010 |
| 11 | 1,628 | 1,442 | 1,263 | 1,173 | 1,087 |
| 12 | 425 | 420 | 500 | 450 | |
| 13 | 932 | 1,058 | 525 | 397 | |
| 14 | 197 | 290 | 193 | 169 | |
| 28.01 | 107 | 0 | 0 | 0 | |
| 157 | | | | | 1,418 |
| 159 | | | | | 567 |
| Total | 3,289 | 3,210 | 2,481 | 2,188 | 3,072 |
| % chg. | | -2.4% | -22.7% | -11.8% | +40.4% |
| chg. '70 to '10 | | | | | -6.6% |

| Census Tract | Median HH Income | | |
|--------------|------------------|-----------------|-----------------|
| | 1990 | 2000 | 2010 |
| 11 | \$17,380 | \$23,431 | \$28,482 |
| 12 | 10,984 | 19,900 | |
| 13 | 14,836 | 20,991 | |
| 14 | 6,719 | 10,926 | |
| 28.01 | 0 | 0 | |
| 157 | | | \$39,681 |
| 159 | | | \$51,875 |
| Total | \$14,684 | \$21,323 | \$37,969 |
| % chg. | | 45.2% | 78.1% |

The census figures indicate substantial population and household decline in the CBD during each of the four decades prior to 2010. The loss in population between 1970 and 2000 amounted to 38.6%, while households decreased 39.1% during the same period. Improvement occurred over the past decade (45.0% and 40.4%). Median household income increased 45% between 1990 and 2000 and a greater 78% between 2000 and 2010. The increase in median household income across the Kansas City metropolitan area was a slightly higher 49% (\$31,246 to \$46,696) in 2000

but was lower in 2010 (29% from \$46,696 to \$60,442). The median household income for the Kansas City metropolitan area in 2000 was 119% higher than in the CBD (\$46,696 vs. \$21,323) decreasing to 59% higher in 2010 (\$60,442 to \$37,969). A positive aspect of CBD population is that density is high. The income per area of land (e.g., acre, square mile, etc.) somewhat compensates for the low income per household. Still, some retailers have not been attracted by the buying power of the working population in the CBD.

KCMO School District

A major factor in the residential market is the difficult reputation of the Kansas City, Missouri Public Schools. The Kansas City Missouri Public School System, which serves mostly urban core areas, was mired in a long-standing desegregation suit. The lawsuit, however, resulted in a massive construction campaign that was completed in 1996. The lawsuit was settled/dismissed in 1997 and State funding has been reduced dramatically. Unfortunately, in 2011 the district lost accreditation. (The district attained provisional accreditation in 2016 but the state wanted to see additional years of performance.) Missouri schools are hampered by a four-sevenths (57%) requirement for passage of levies (a two-thirds majority was required until 1987).

College entrance scores in the Kansas City, Missouri Public Schools lag those of suburban districts. As indicated in the table below, in 2018 the Kansas City, Missouri Public Schools had an average ACT score of 14.6, was by far the lowest of all metro area districts and well below the statewide and national averages.

METRO AREA SCHOOL DISTRICT ACT SCORES

| School District | Students | ACT |
|-------------------------|----------------|-------------|
| Blue Valley (KS) | 22,546 | 25.5 |
| Olathe (KS) | 29,009 | 23.9 |
| Shawnee Mission (KS) | 27,655 | 23.8 |
| Park Hill (MO) | 11,667 | 22.1 |
| Lee's Summit (MO) | 18,261 | 21.7 |
| Liberty (MO) | 12,629 | 21.7 |
| Kansas | 484,496 | 21.6 |
| Blue Springs (MO) | 15,156 | 21.4 |
| United States | 56.6M | 20.8 |
| Missouri | 883,957 | 19.9 |
| Independence (MO) | 14,244 | 19.1 |
| North Kansas City (MO) | 20,340 | 19.0 |
| Belton (MO) | 4,976 | 18.8 |
| Raytown (MO) | 9,416 | 18.0 |
| Kansas City (KS) | 21,890 | 16.2 |
| Kansas City (MO) | 15,345 | 14.6 |

School Districts located in Missouri-side suburbs or Johnson County, Kansas tend to score well above the state and national figures while urban school districts fall below state and national averages. Much of the residential population within the greater downtown area is comprised of young professionals or empty nesters.

Adjoining Development

North

A two-level parking deck (814 Grand Boulevard) adjoins to the north of the study area. The property is currently closed and has had 9 code violations filed against the ownership since May 2016. The structure exhibits various structural issues and trespassing and illegal camping has become an issue.

East

On the east side of Grand Boulevard is the Old Federal Courthouse PIEA Plan Area created in 2006. The stately Neo-Classical and Art Deco structure was converted to Courthouse Lofts containing 176 affordable apartment units. Presently, only 2 units or 1.1% are vacant.

The former “Temple” office midrise is located at the southeast corner of E 9th Street and Grand Boulevard. The 12-story structure dates to 1911 and contains 60,000 rentable square feet and has been 100% vacant for many years.

South

On the south side of E 9th Street (906 Grand Boulevard) is a 13-story structure formerly known as the “Rialto Building” and the “Ozark Building” that opened in 1912. The owner (United Missouri Bank of Kansas City) placed the mostly vacant property on the market in June 2018 at \$10,000,000 or \$72.40 per rentable square feet. The building is reportedly now under contract. The smallish floorplates of 11,000 square feet makes modern office use difficult.

West

Adjoining the west side of the Scarritt Building and the south side of the Scarritt Arcade is Waltower Lofts built in 1929. The former office tower was listed on the National Register of Historic Places (NRHP) in August 2001. The 12-story structure now houses 53 apartment units (studios, 1BR, 2BR, 3BR) ranging in rent from \$779 to \$2,925 per month.

The resurgence of the CBD began in the 1990s after decades of decline and has accelerated over the past 10 years. Construction of new Class A office and hotel space initially gave the revitalization a solid foothold. Moreover, rehabilitation projects in adjoining neighborhoods (Quality Hill, Garment District, River Market, Crossroads) added impetus to the resurgence. Exciting projects such as the Performing Arts Center (\$326 million), a new downtown public library (\$32 million), the H&R Block office building (\$140 million), the Sprint Center (\$250 million), the Power & Light District (\$850 million), One Light apartment tower (\$73M), renovation of the Kansas City Power & Light building (\$70M) and Commerce Tower (\$139M), have fueled the revival of the CBD. The addition of the \$200-million streetcar line has created additional interest and investment. The Downtown Council would like to see downtown residential population increase from 20,000 to 40,000.

Recently approved TIF plans, including 100% tax abatement for a full 25 years, indicate that the city is committed to ensuring growth will continue within the downtown loop. Almost all new construction and redevelopment is occurring with government assistance. The Kansas City Council approved a community improvement district for Downtown that collects about \$1.5 million a year from downtown property owners to finance public services such as security and street cleaning. The assessments were endorsed by a majority of affected property owners and

will continue for six years. The services will add to but not replace those the city government already provides.

The study area lies in the northern portion of the downtown loop where modest development/redevelopment activity has occurred. The Scarritt Building and Arcade, along with the adjoining 901 Grand and 906 Grand midrise office towers encompass 314,531 rentable square feet of which 95.3% is currently vacant:

| Building | Built | Stories | RSF | Vacant SF | Vacant % |
|-----------------|--------------|----------------|----------------|------------------|-----------------|
| Scarritt | 1906 | 12 | 104,750 | | 0.0% |
| Arcade | 1906 | 4 | 11,656 | | 0.0% |
| 901 Grand | 1911 | 12 | 60,000 | 60,000 | 100.0% |
| 906 Grand | 1912 | 13 | 138,125 | 131,180 | 95.0% |
| Total | 1910 | 41 | 314,531 | 314,531 | 100.0% |

The adjoining vacant office midrise towers, the closed and deteriorating parking garage to the south of the study area, and unsightly properties along E 8th Street create considerable negative influence for the immediate neighborhood.

(Neighborhood photographs are included on the following pages.)

A View North On Grand Boulevard – The Scarritt Building Is To The Left



Looking South On Grand Boulevard – The Scarritt Building Is To The Right



A View West On E 9th Street – The Scarritt Building Is To The Right



A View East On E 9th Street – The Scarritt Building Is To The Rear Left



The Closed Parking Garage North Of The Study Area



The Courthouse Lofts PIEA Plan Area East Of The Study Area



Vacant 901-905 Grand Boulevard Office Midrise – SEC Of E 9th Street & Grand Boulevard



Parking Garage At 860 Walnut Street – NWC Of E 9th Street & Grand Boulevard



Mostly Vacant 906 Grand Office Midrise – SWC Of E 9th Street & Grand Boulevard



A View North On Walnut Street – The Scarritt Arcade Is To The Right



A View South On Walnut Street – The Scarritt Arcade Is To The Left



The Waltower Lofts Located West Of The Scarritt Building & South Of The Scarritt Arcade



The Closed Parking Garage North Of The Scarritt Arcade



The Hampton Inn Conversion Located At The Southeast Corner Of E 8th Street & Walnut Street



SITE & IMPROVEMENT DATA

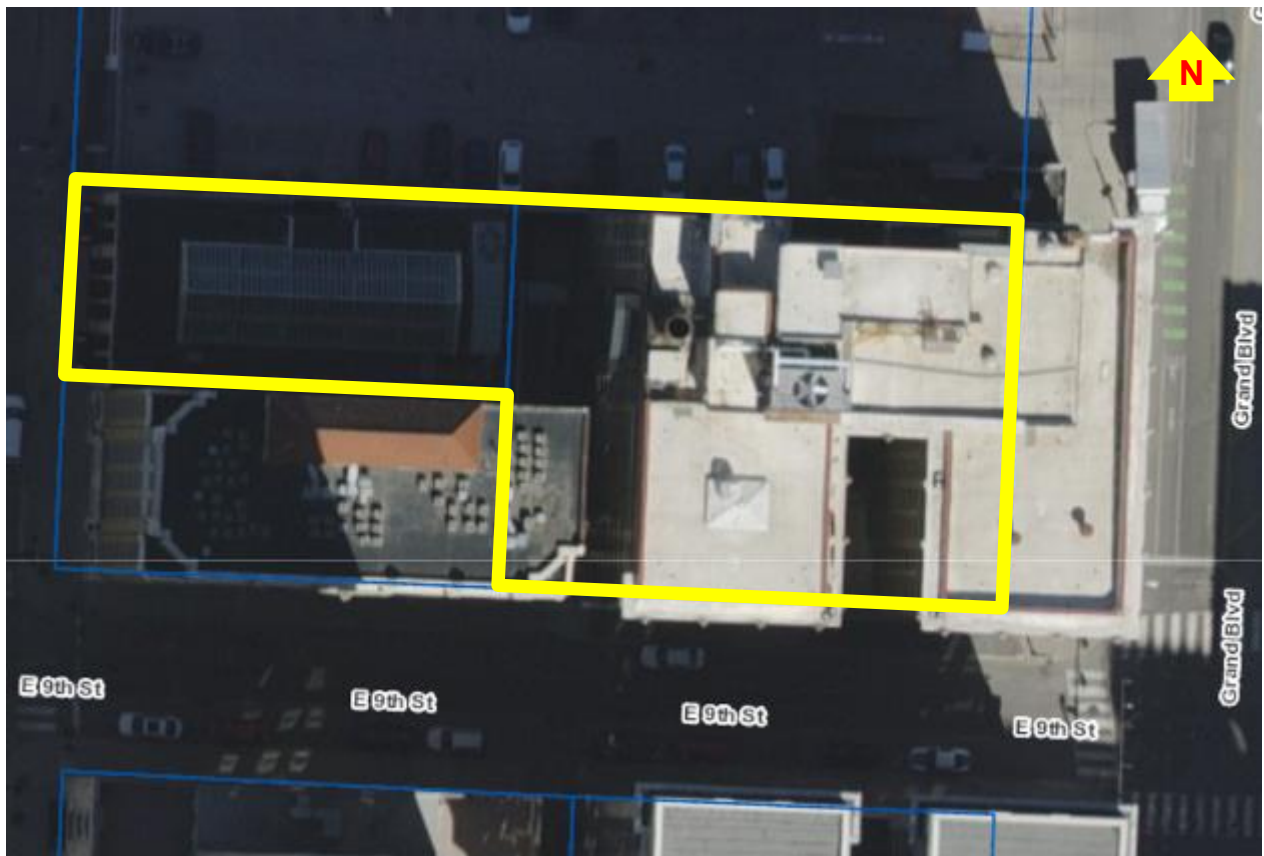
Location

The Central Business District (CBD) of Kansas City, Missouri is located on the south side of the Missouri River and is defined by “the loop” formed by Interstates 29, 35, and 70. The loop is rather tight being just over a mile wide (east/west) and just less than a mile deep (north/south) and containing roundly 450 acres. The study area lies within the north/central portion of the downtown loop. The block in which the study area resides is bounded by NE 8th Street on the north, Grand Boulevard on the east, NE 9th Street on the south, and Walnut Street on the west. All of these adjoining roadways run the length of the downtown loop. The official addresses (with corresponding county tax parcel number) of the study area are as follows:

| Parcel Address | Tax Parcel No. |
|---------------------|--------------------------|
| 818 Grand Boulevard | 29-220-21-06-00-0-00-000 |
| 819 Walnut Street | 29-220-21-04-00-0-00-000 |

The study area is also located in the west/central portion of Kansas City, Missouri, the northwest corner of Jackson County, Missouri and near the center of the Kansas City MSA. The Missouri River lies $\frac{3}{4}$ mile north of the study area. Access to the federal highway system is available along the north leg of the downtown loop (various) and on the east leg at NE 11th Street.

KCMO GIS – AERIAL PHOTOGRAPH



Access

The Scarritt Building has frontage along the west side of Grand Boulevard and the north side of E 9th Street while the Arcade has frontage along the east side of Walnut Street. Both Grand Boulevard and Walnut Street run the length (north/south) of the downtown loop and both have overpasses into the River Market to the north and Crossroads to the south. E 8th Street and E 9th Street also run the length (east/west) of the downtown loop and both have overpasses into the Paseo West adjoining to the east of the downtown loop.

Grand Boulevard fronting the study area carries one-lane of traffic north and south (after a road diet), includes a center turn lane, and has dedicated bike lanes north and south. One-hour metered parking is available on the both sides of Grand Boulevard between E 8th and E 9th Streets. A Max line bus shelter is near the southeast corner of E 9th Street and Grand Boulevard. E 9th Street carries three lanes one-way west but allows 2-hour parking within the south lane. Walnut Street is two-way (north/south), in three lanes, with two lanes northbound and one lane southbound, and one lane southbound lane used for metered parking (2 hours).

Land Area

The proposed study area consists of contiguous rectangles fronting Grand Boulevard and Walnut Street. Utilizing Jackson County GIS Mapping, KCMO GIS Mapping and a survey prepared by CDS Commercial Due Diligence Services dated January 3, 2017 (Project No. 16-12-0115), the study area encompasses the following land area:

| Tax Parcel No. | Address | JackMO | | KCMO | | Survey | |
|--------------------------|-----------------|---------------|-------------|---------------|-------------|---------------|-------------|
| | | Sq.Ft. | Acres | Sq.Ft. | Acres | Sq.Ft. | Acres |
| 29-220-21-06-00-0-00-000 | 818 Grand Blvd. | 12,095 | 0.28 | 12,229 | 0.28 | | |
| 29-220-21-04-00-0-00-000 | 819 Walnut St. | 5,427 | 0.12 | 5,344 | 0.12 | | |
| Total | | 17,523 | 0.40 | 17,573 | 0.40 | 17,885 | 0.41 |

The CDS survey indicates 97.32 feet on the west side of Grand Boulevard, 126.99 feet on the north side of E 9th Street, and 48.54 feet on the east side of Walnut Street.

Zoning

The entire study area is presently zoned DC-15, Downtown Core 15 district which is primarily intended to promote high-intensity office and employment growth within the downtown core. The DC district regulations recognize and support downtown's role as a center of regional importance and as a primary hub for business, communications, office, government, retail, cultural, educational, visitor accommodations, and entertainment. The district regulations are primarily intended to accommodate a broad mix of office, commercial, public, recreation, and entertainment uses. The DC district also accommodates residential development, both in a stand-alone high-density form and mixed with office and retail uses.

A **Zoning Map** identifying the study area is included on the following page. The study area lies within a large swath of DC-15 zoning that includes most of the downtown loop except for parcels rezoned to UR, Urban Redevelopment due to granting of public economic incentives.

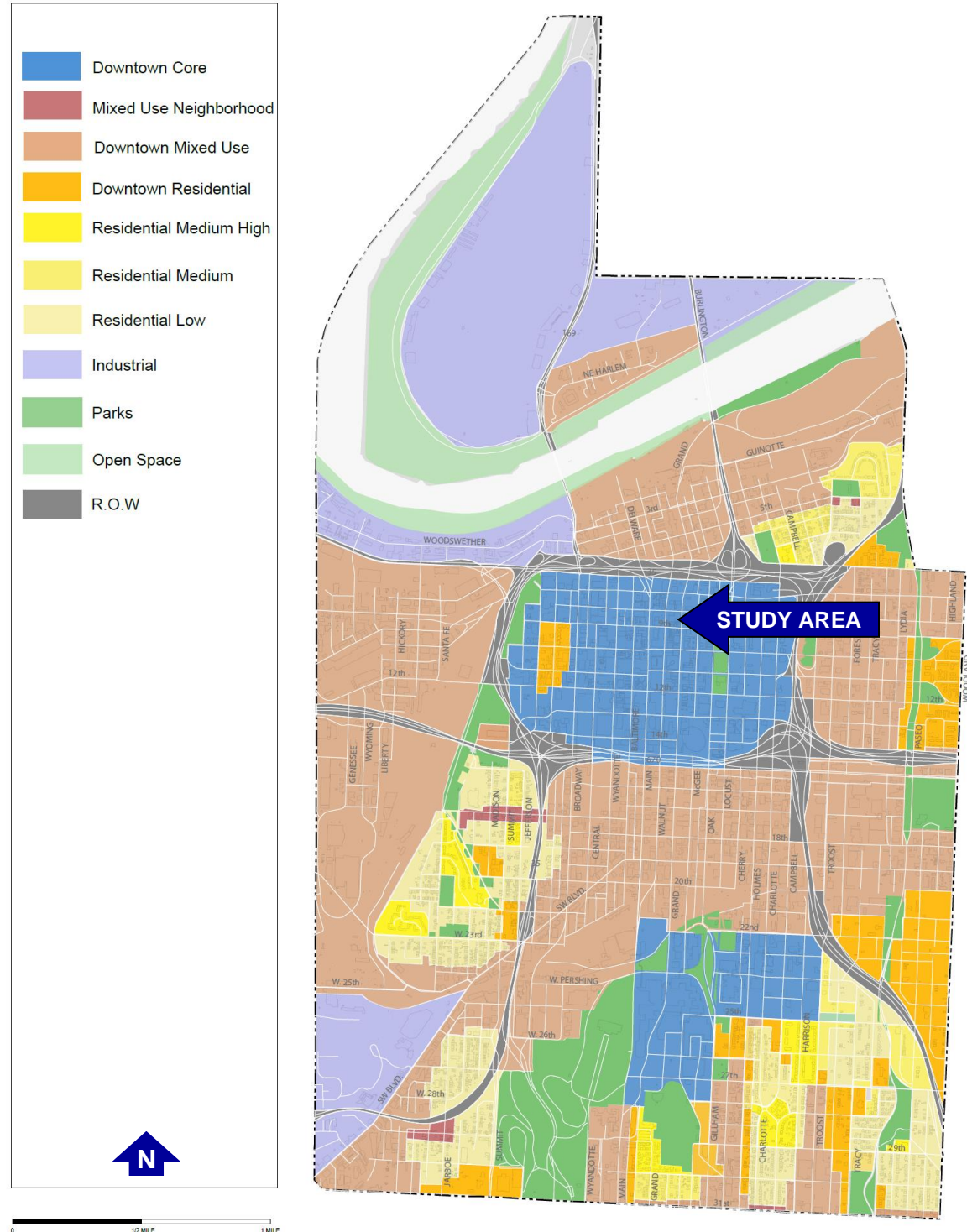
ZONING MAP



Area Plan

The study area lies within the Greater Downtown Area Plan (GDAP; approved March 11, 2010). The city has designated the land beneath the study area and the majority of the downtown loop as Downtown Core:

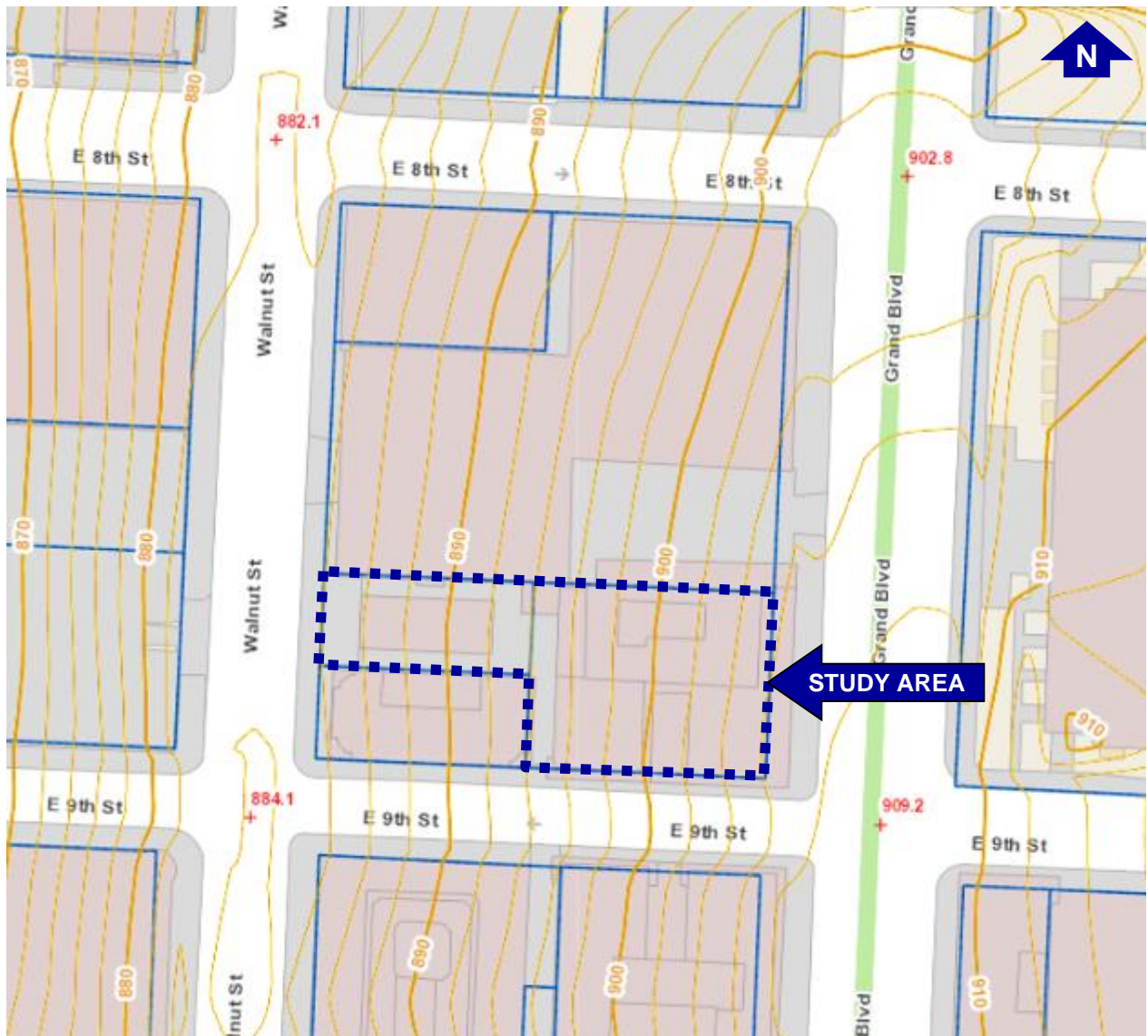
Land Use Plan



Topography

The study area slopes downward from Grand Boulevard (906 feet) to Walnut Street (884 feet) roundly 12 feet. A **Topographic Map** (provided by KCMO GIS Mapping) is included below. No retaining walls are needed within the study area. The study area appears to drain adequately along the downward westward slope.

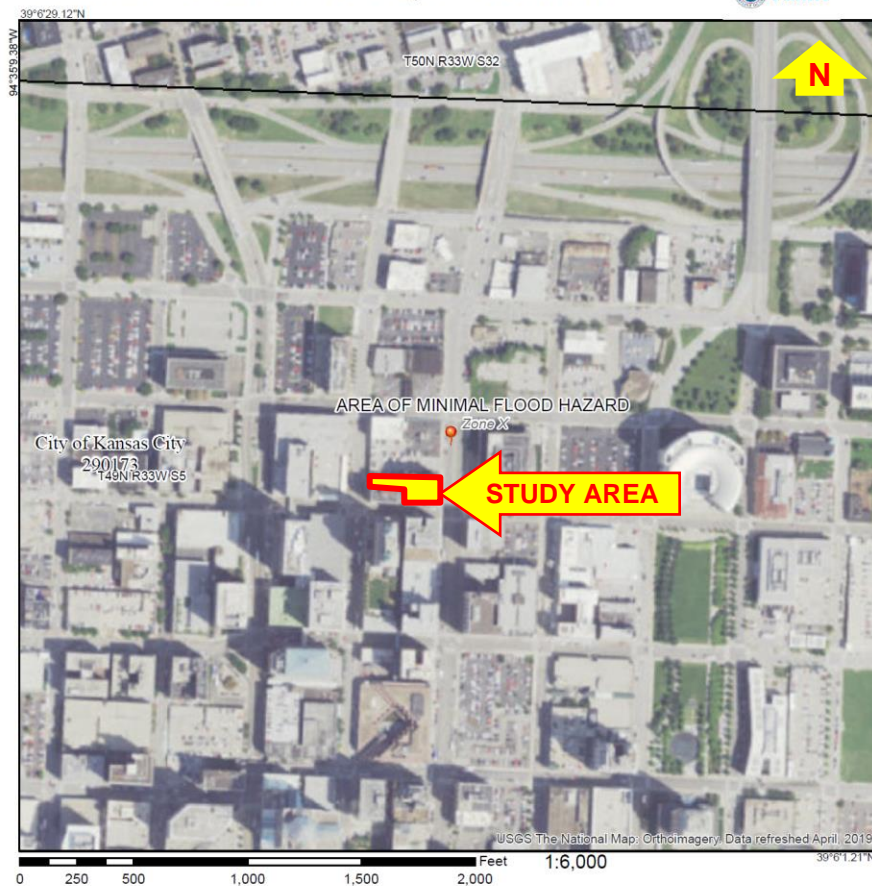
TOPOGRAPHIC MAP



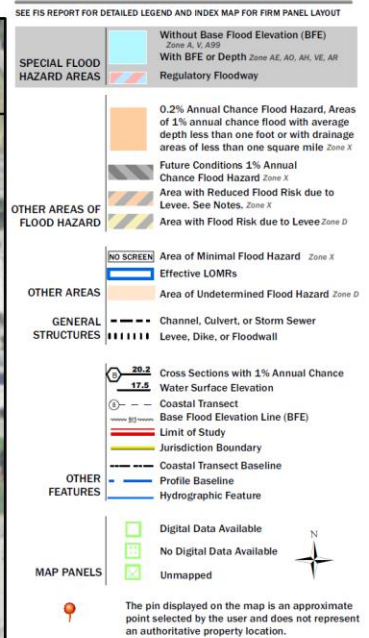
FEMA

According to FIRM Community Panel 29095C0252G (dated January 20, 2017), the majority of the study area lies outside the 100-year floodplain (Zone X – Areas determined to be outside the 0.2% annual chance floodplain). The study area appears to drain adequately along the downward westward slope. See the FIRM panel included on the following page.

National Flood Hazard Layer FIRMette



Legend



This map complies with FEMA's standards for the use of digital flood maps if it is not void as described below. The basemap shown complies with FEMA's basemap accuracy standards.

The flood hazard information is derived directly from the authoritative NFHL web services provided by FEMA. This map was exported on 11/11/2019 at 1:58:26 PM and does not reflect changes or amendments subsequent to this date and time. The NFHL and effective information may change or become superseded by new data over time.

This map image is void if the one or more of the following map elements do not appear: basemap imagery, flood zone labels, legend, scale bar, map creation date, community identifiers, FIRM panel number, and FIRM effective date. Map images for unmapped and unmodernized areas cannot be used for regulatory purposes.

Utilities

The study area is adequately served by utilities as described below.

Water

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

Sewers

The City of Kansas City, Missouri provides stormwater and sanitary sewers to its residents.

Electricity

Evergy, a private regulated utility recently formed by the merger of KCP&L with Westar Energy, provides electricity to residents of Kansas City, Missouri. All utility lines have been placed underground in the vicinity of the study area.

Natural Gas

Spire Inc. (publicly traded and state regulated) provides natural gas service to residents in Kansas City, Missouri.

Assessment & Taxation

Appraised Valuation

The two county tax parcels comprising the study area are highlighted on Jackson County Tax Map 29-220 included on the following page. The trend in appraised valuation for the two subject tax parcels over the past 5 years is shown in the table below:

| Tax Parcel No. | Address | 2015 | 2016 | 2017 | 2018 | 2019 |
|--------------------------|------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| 29-220-21-06-00-0-00-000 | 818 Grand | \$2,950,000 | \$2,950,000 | \$3,186,000 | \$3,186,000 | \$3,663,900 |
| 29-220-21-04-00-0-00-000 | 819 Walnut | 505,000 | 505,000 | 545,400 | 545,400 | 831,800 |
| TOTAL | | \$3,455,000 | \$3,455,000 | \$3,731,400 | \$3,731,400 | \$4,495,700 |
| <i>Annual chg.</i> | | | 0% | 8% | 0% | 20% |

All property in Missouri is supposed to be reassessed in odd-numbered years, except that new construction (including remodeling) can be assessed in any year. The state mandated the assessor in Jackson County to increase overall assessment in 2019. Significant controversy and appeals have resulted due to the increase. The 2 tax parcels within the study area have a proposed 2019 assessment 20% higher (\$4,495,700) than 2018 (\$3,731,400). The combined 2019 appraised valuation equates to \$29.95 per gross square foot of building above grade. Whether large increases in assessment are justified within an area influenced by blight with mostly vacant properties is debatable.

Assessed Valuation

The resulting trend in assessed valuation for the study area over the past 5 years is shown below.

| Tax Parcel No. | Address | 2015 | 2016 | 2017 | 2018 | 2019 |
|--------------------------|------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| 29-220-21-06-00-0-00-000 | 818 Grand | \$944,000 | \$944,000 | \$1,019,520 | \$1,019,520 | \$1,172,448 |
| 29-220-21-04-00-0-00-000 | 819 Walnut | 161,600 | 161,600 | 174,528 | 174,528 | 266,176 |
| TOTAL | | \$1,105,600 | \$1,105,600 | \$1,194,048 | \$1,194,048 | \$1,438,624 |
| <i>Annual chg.</i> | | | 0% | 8% | 0% | 20% |

All subject tax parcels are classified as commercial at the 32% ratio. The combined 2019 assessed valuation equates to \$9.59 per gross square foot of building above grade.

Real Estate Taxes

The trend in real estate taxes for the 2 subject tax parcels over the past 5 years is shown below:

| Tax Parcel No. | Address | 2014 | 2015 | 2016 | 2017 | 2018 |
|--------------------------|------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| 29-220-21-06-00-0-00-000 | 818 Grand | \$97,825.04 | \$98,188.48 | \$98,353.68 | \$105,676.86 | \$108,791.28 |
| 29-220-21-04-00-0-00-000 | 819 Walnut | 17,052.92 | 17,115.14 | 17,143.42 | 18,397.05 | 18,947.53 |
| TOTAL | | \$114,877.96 | \$115,303.62 | \$115,497.10 | \$124,073.91 | \$127,738.81 |
| <i>Annual chg.</i> | | | 0.4% | 0.2% | 7.4% | 3.0% |

The total real estate taxes collection in 2018 was \$127,738.81 or \$0.85 per gross square foot of building, a fairly small amount for 150,082 gross square foot of office space in 4 and 12-story office structures. It is reasonable to assume if the study area were redeveloped to the highest and best use, significantly higher real estate taxes would be generated.

JACKSON COUNTY ASSESSMENT MAP 29-220



Tax Delinquency

The tax parcels comprising the study area incurred real estate taxes delinquency in 2015 and 2017 as recounted in the table below. The total delinquency (interest plus Chapter 52 and 141 fees) for the two years amounts to \$40,833.95.

REAL ESTATE TAX DELINQUENCY

| Address | Tax Parcel No. | 2015 | 2017 |
|---------------------|--------------------------|--------------------|--------------------|
| 818 Grand Boulevard | 29-220-21-06-00-0-00-000 | \$12,627.03 | \$22,149.85 |
| 819 Walnut Street | 29-220-21-04-00-0-00-000 | 2,201.02 | 3,856.05 |
| TOTAL | | \$14,828.05 | \$26,005.90 |

The 2015 tax bill was paid 3 months late and the 2017 tax bill was 9 months late.

Easements & Restrictions

A title report issued by First American on April 19, 2019, indicates the following:

1. Deed Of Gift And Agreement Of Architectural, Façade, And Historical Preservation Restrictions And Covenants dated December 28, 1984 (K1496/P2183) between Scarritt Building Investors, Ltd. and the Historic Kansas City Foundation. This easement covers the facades of the Scarritt Building.
2. Deed Of Gift And Agreement Of Architectural, Façade, And Historical Preservation Restrictions And Covenants dated December 28, 1984 (K1496/P2200) between Scarritt Arcade Investors, Ltd. and the Historic Kansas City Foundation. This easement covers the facades of the Scarritt Arcade.
3. Preservation and Conservation Interior Easement dated December 29, 1993 (K2498/P320) between Ozark National Life Insurance Company and the Landmarks Historic Trust Corporation (KCMO). This easements covers the majority of the first floor common areas and ballroom of the Scarritt Building.
4. Preservation and Conservation Interior Easement dated December 29, 1993 (K2498/P363) between Ozark National Life Insurance Company and the Landmarks Historic Trust Corporation (KCMO). This easements covers the hallways and stairwells (lightwell) of all four floors of the Scarritt Arcade.

Photographs of the preservation and conservation easement building areas are included on the following pages. Encroachments onto the northerly adjoining parcels, into Grand Boulevard, and into Walnut Street, are noted on the survey. Recorded agreements exist for two of these encroachments, but not the other four. The title report also indicates utility easements to various providers.

First Floor Lobby Scarritt Building



First Floor Lobby Scarritt Building



Entryway Ceiling – Arcade



Lightwell – Arcade



The study area lies within the Downtown KC Community Improvement District (CID), Downtown Streetcar District (TDD), and the Northland Enterprise Zone. (The EZ designation requires a finding of blight.) As the KCMO GIS overlay mapping function shown below indicates, the downtown area (and surrounding areas) is covered with multiple PIEA, TIF, 353, and Urban Renewal areas. As mentioned previously, the study area is located within the Central Business District Urban Renewal Area (CBDURA) declared blighted by Ordinance No. 36287 on January 17, 1969.

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Historic Designations

National Register of Historic Places

The entire study area lies within the Scarritt Building and Arcade Historic District which was listed on the National Register of Historic Places on March 9, 1971. The filing notes the Scarritt Building was constructed by the architectural firm of Root and Siemens in 1906-1907 with a Chicago School façade applied to the south and east elevations. The Arcade also has a Chicago School façade on the west elevation. Both structures serve as fine examples of the turn-of-the-century need for natural light with the vast window expanse on the Scarritt Building and the Arcade being one of the last skylighted interior open walls in Kansas City.

Kansas City Historic Registry

The entire study area lies within the Scarritt Building & Arcade Historic District listed on the Kansas City Historic Registry (KCHR) on March 12, 1987.

Real Estate Improvements

Building & Site Improvements

Scarritt Building – 818 Grand Boulevard:

The Scarritt Building is an 11-story (plus 12th floor penthouse), steel skeleton frame, supported by a double basement and sheathed in brick and terra cotta walls. The two basement levels are rectangular but the shaft of the tower changes to a modified “H” plan at and above the second story. The structure was begun in 1906 and completed in 1907 (age=112 to 113 years). Windows are double-hung design (single pane) with wood frames. The multilevel roofs are covered with a white membrane. The building contains 23,280 square feet below grade, 129,362 gross square feet above grade, and 104,750 rentable square feet. The tower is served by four passenger elevators and one freight elevator. The elevators operate by old switchgear design and the shafts are not pressurized. Currently, only one of the four passenger elevators is operable. The building is served by a “multi-stack” chilled water system and electric heat. Each floor has an air handler unit and a cooling tower is located on the roof. The structure has a fire sprinkler system with service entrance and fire pump located adjacent to the south sidewalk vault. Exterior fire stairs (metal) are along the west wall.

The first floor is quite ornate and is covered by a historic preservation and conservation easement. Marble slabs, extensive terra cotta, and period light fixtures are attractive but need repair. Carpet is worn and stained and needs replacing. A ballroom (most recently an event space) with support facilities (kitchenette) comprises the south half of the first floor. Upper floors are mostly finished with tired office space last rehabbed in 1985 (34 years ago). Floorplates are small (~11,500 sq.ft.) by modern office standards and the floor plan includes extensive partitions and lacks the open space preferred by office users today. Ceiling heights (generally 8 to 9 feet) are low by modern standards. Elevator lobbies are rather large. Some space along the west elevation have views only into the backside of the adjoining Waltower Lofts. “Bride” and “bridegroom” residential units are on an upper floor to compliment the former event space use on the first floor. Public restrooms are on each floor and include tank-flush fixtures many of which are marked as inoperable.

Three upper floors (9, 10, 11) were damaged by water as a result of vandalism. Resulting in frozen water pipes that burst. The basement (below grade Grand Boulevard but at grade E 9th

Street) was also damaged by a burst water pipe. Ceiling panels, the lower three feet of wall board, and the floorcovering has been removed on these water four damaged levels. One of the stairwells has been enclosed in various areas due to damage. The penthouse is in very poor condition. The exterior walls need significant repairs and maintenance (tuckpointing, crack repair, power washing, terra cotta stabilization and repair). The windows and doors are extensively deteriorated and need to be replaced (in accordance with historic requirements). Security railings along the south elevation protecting pedestrians from window well drop offs are in poor condition and have been compromised. The roof membrane is functioning but will need to be replaced in the near future. The cooling tower has remaining economic life. The public sidewalks along Grand Boulevard and E 9th Street are in poor condition and need to be replaced/repared. The extensive (93.2%) and extended vacancy (partially caused by deterioration and obsolescence but also by a lack of off-street parking) at the Scarritt Building indicates the structure is no longer able to compete for modern office users. The office finish on the upper floors is worn and tired (mauve, hunter green, avocado, or “casino” carpet) and consists of multiple small private offices. All building systems (electrical, plumbing, HVAC, elevators, fire sprinklers) need attention. Significant personal property has been abandoned throughout the building.

Scarritt Arcade – 819 Walnut Street:

The Scarritt Arcade is a 4-story, steel frame structure with basement connected to the Scarritt Building by a tunnel running from the ground floor of the Arcade to the sub-basement of the main building. The structure was begun in 1906 and completed in 1907 (age=112 to 113 years). The Arcade contains 20,720 gross square feet above grade but only 11,656 rentable square feet. Many of the building systems in the Arcade are tied into the Scarritt Building. The Arcade is served by one passenger elevator (hydraulic). The elevator operates by old switchgear design and the shaft is not pressurized.

The north, east, and south elevations are faced with unadorned brick while the west elevation (facing Walnut Street) is a ranged ashlar Chicago School façade. Windows are double-hung design (single pane) with wood frames and have aging cloth awnings. The roof includes a large skylight (glass in metal frame) allowing light to penetrate the core of the building as all of the south elevation abuts the Waltower Lofts and the two lower floors on the north elevation abuts the adjoining parking garage. The center portion of each of the four floors is open lightwell allowing light to penetrate the interior of the building. Multiple small offices line the hallways and have glass walls facing the lightwells to allow light into spaces. The layout results in a very low 56% efficiency ratio (rentable area to gross area; modern offices attain ≥85% efficiency).

The lightwell has extensive and ornate terra cotta covered by a historic preservation and conservation easement. However, the terra cotta has begun to deteriorate. The glass and metal frame in the skylight need to be replaced as leaks have developed causing interior water damage. The floor covering throughout is dated and worn hunter green carpet. One restroom is located on each floor and alternate by gender by floor. Peripheral offices have lowered ceilings to allow for the HVAC ductwork (later addition). The light switch for each space is located on the back wall and electricity is via exposed wall strips. Significant personal property has been abandoned throughout the building.

The exterior walls need significant repairs and maintenance (tuckpointing, crack repair, power washing, terra cotta repair). The windows and doors need to be replaced (in accordance with

historic requirements). A black roof membrane is loosely stretched over the flat portion of the roof and should be immediately replaced. The interior finish is deteriorating and needs to be replaced or updated. An additional restroom should be added on each floor or the single gender provision converted to unisex. As previously mentioned, most buildings systems are connected to the Scarritt Building and need attention.

BLIGHT ANALYSIS

BLIGHT ANALYSIS

Required Finding

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

Blight Defined

As presented earlier, blight is defined as follows:

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

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

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

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

The various components of the definitions serve as the basis for further discussion concerning whether the 9th & Grand PIEA Study Area qualifies as blighted.

Court Decisions

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

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

Component 1: Defective or Inadequate Street Layout

Potential negative conditions associated with defective or inadequate street layout include poor vehicular access and/or internal circulation patterns, substandard driveway definition and parking layout (e.g. lack of curb cuts, awkward entrance and exit points), improperly offset or angled intersections or irregular intersections, and substandard or nonexistent pedestrian circulation (sidewalks, etc.). Streetscapes also add appeal within the urban setting. The Kansas City Downtown Streetscape Master Plan (adopted August 24, 2005) addresses sidewalks, street lights, landscaping, street furniture, information signage, intersection treatments, public transit, and public art.

The study area is centrally located and thus has good linkage to other portions of the metropolitan area. Typically, access within the urban setting is good due to rectilinear road systems. Immediate access to highways within the urban core is at times indirect or inconvenient, but the study area has convenient access to Interstates 35/70/635 and US Highway 71. The study area is bounded by E 9th Street on the south, Grand Boulevard on the east, and Walnut Street on the west. Grand Boulevard and Walnut Street are of two-way design while E 9th Street is one-way west. Traffic signals control the intersections of both Grand Boulevard and Walnut Street with E 9th Street. Parallel parking (metered) is also allowed along all the adjoining roadways.

Safe and adequately maintained public sidewalks and curbs conducive to efficient and safe pedestrian circulation are lacking fronting the study area along Grand Boulevard, E 9th Street, and Walnut Street. The present provision exhibits significant cracking, large displaced chunks of

concrete, and off-sets creating trip hazard resulting in unsafe conditions along all the study area frontages.

No streetscapes exist within the study area. By contract attractive streetscapes and landscaping is on the east side of Grand Boulevard (Courthouse Lofts conversion) and the west side of Walnut Street (811 Parking Garage – south addition) across from the study area. The Kansas City Downtown Streetscape Master Plan identifies lighting, landscaping, sidewalks, signage, and furniture as appropriate streetscapes along Grand Boulevard (an Image Street).

All told, defective or inadequate street layout is considered a blighting influence in terms of lack of safe pedestrian circulation and lack of streetscapes.

Deteriorating/Unsightly Public Sidewalks Fronting The Scarritt Building – WS Grand Boulevard
(Lack Of Prescribed Streetscapes – Kansas City Downtown Streetscape Master Plan)



DEFECTIVE & INADEQUATE STREET LAYOUT – PUBLIC SIDEWALKS



Grand Boulevard



Grand Boulevard



Grand Boulevard



Grand Boulevard



Grand Boulevard



Grand Boulevard

DEFECTIVE & INADEQUATE STREET LAYOUT – PUBLIC SIDEWALKS



Grand Boulevard



Grand Boulevard



Grand Boulevard



Grand Boulevard



Grand Boulevard



Grand Boulevard

DEFECTIVE & INADEQUATE STREET LAYOUT – PUBLIC SIDEWALKS



E 9th Street



E 9th Street/Grand Boulevard



E 9th Street/Grand Boulevard



Grand Boulevard



Grand Boulevard



Grand Boulevard

DEFECTIVE & INADEQUATE STREET LAYOUT – PUBLIC SIDEWALKS



Walnut Street



Walnut Street



Walnut Street



Walnut Street



Walnut Street



Walnut Street

DEFECTIVE & INADEQUATE STREET LAYOUT – PUBLIC SIDEWALKS



Walnut Street



Grand Boulevard



Grand Boulevard



Grand Boulevard



Grand Boulevard



Grand Boulevard

DEFECTIVE & INADEQUATE STREET LAYOUT – PUBLIC CURBS



Grand Boulevard



Grand Boulevard



Grand Boulevard



Grand Boulevard



Walnut Street

Component 2: Insanitary Or Unsafe Conditions

The age and design of improvements in the study area, a lack of maintenance and supervision, and negative neighborhood characteristics (trespassing, illegal camping, vandalism), result in numerous insanitary and unsafe conditions as outlined below.

Lack Of Public Sidewalks & Curbs

As mentioned under Component #1 above, the public sidewalks are severely deteriorated along Grand Boulevard, E 9th Street, and Walnut Street creating unsafe pedestrian circulation.

Environmental Issues

Asbestos-Containing Materials

The U.S. Government began to ban the use of asbestos-containing materials (ACM) in the 1970s and just this year issued a final rule to ensure that discontinued asbestos products cannot be reintroduced into commerce without the Agency evaluating them and putting in place any necessary restrictions or prohibiting use. Following is a regulatory history of ACM:

- In 1973, EPA banned spray-applied surfacing asbestos-containing material for fireproofing/insulating purposes. See National Emission Standards for Hazardous Air Pollutants (NESHAP) at 40 CFR Part 61, Subpart M.
- In 1975, EPA banned installation of asbestos pipe insulation and asbestos block insulation on facility components, such as boilers and hot water tanks, if the materials are either pre-formed (molded) and friable or wet-applied and friable after drying. See National Emission Standards for Hazardous Air Pollutants (NESHAP) at 40 CFR Part 61, Subpart M.
- In 1977, the Consumer Product Safety Commission (CPSC) banned the use of asbestos in artificial fireplace embers and wall patching compounds. (See 16 CFR Part 1305 and 16 CFR 1304).
- In 1978, EPA banned spray-applied surfacing materials for purposes not already banned. See National Emission Standards for Hazardous Air Pollutants (NESHAP) at 40 CFR Part 61, Subpart M.
- In 1989, EPA attempted to ban most asbestos-containing products by issuing a final rule under Section 6 of Toxic Substances Control Act (TSCA). However, most of the original ban on the manufacture, importation, processing, or distribution in commerce for the majority of the asbestos-containing products originally covered in the 1989 final rule was overturned in 1991 by the Fifth Circuit Court of Appeals. As a result, the 1989 asbestos regulation only bans new uses of asbestos in products that would be initiated for the first time after 1989 and bans 5 other specific product types. See 40 CFR 763 Subpart I.
- In 1990, EPA prohibited spray-on application of materials containing more than 1% asbestos to buildings, structures, pipes, and conduits unless certain conditions specified. See National Emission Standards for Hazardous Air Pollutants (NESHAP) at 40 CFR 61, Subpart M are met.
- In 2019, EPA issued a final rule to ensure that discontinued asbestos products cannot be reintroduced into commerce without the Agency evaluating them and putting in place any necessary restrictions or prohibiting use.

An asbestos survey of the study area vertical improvements was prepared by New Horizons, LLC in July 2018 and includes the following conclusion:

Engineers Estimate:

New Horizons is providing this Engineers Estimate for information and budget purposes only. This does not constitute a bid nor is it a binding estimate. These are estimates based on a walk-through only. There are unknowns that may not be included below. This estimate excludes roofing, window caulking, window glazing, and drywall.

The following suspect asbestos materials were observed throughout the building in various quantities.

- Ceiling tiles
- Floor tile and mastic
- Wall and ceiling mastic
- Plaster
- Drywall with joint compound
- Cove base and mastic
- Window glaze
- Caulking
- Stair tread
- Thermal system insulation (TSI)
- Roofing materials
- Insulation

| | |
|--|---------------------|
| FLOORING REMOVAL | \$100,000.00 |
| THERMAL SYSTEM INSULATION REMOVAL | \$60,000.00 |
| CEILING REMOVAL | \$180,000.00 |
| MISCELLANEOUS ITEMS | \$50,000.00 |

New Horizons recommends a budget of \$390,000.00 asbestos abatement for this project.

A subsequent limited-asbestos sampling performed by New Horizons indicated 60% chrysolite asbestos in the pipe insulation while ceiling tiles, blown-in insulation, skim coat, and fire doors tested negative. During the inspection the consultant noted potential ACM was compromised (deterioration or disturbance) in various locations throughout the buildings.

Lead-Based Paint & Piping

Lead-based paint and piping was not banned until 1978. Considering the improvements in the study area date to 1906, various building components might be affected negatively. Observable plumbing appeared to be a mix of original and subsequent upgrades. Chipping paint was observed in non-public areas or areas currently closed due to deterioration.

PCBs

PCBs were used as insulating liquids in electric transformers, capacitors, and hydraulic fluid from 1929 to 1977. Considering the improvements in the study area date to between 1906, various building components (light ballasts, elevator equipment (hydraulic fluid), transformers, or other equipment) might be affected negatively.

Mold

Mold was observed in some portions of the building that had been water damaged or areas closed to the public.

Radon

The Scarritt Building has a basement (includes public and leasable finished spaces) and sub-basement and the Arcade has a basement. Radon testing should be performed in these areas.

Failing Structural Components – Safety Issues

A number of issues were noted during the inspection:

- The roof of the Scarritt Building lacks parapet walls in some locations.
- The roof of the Arcade includes a large glass skylight. Several panes within the skylight are cracked and failure could lead to safety issues. Of additional concern is the apparent throwing of discarded objects (bottles, containers) from upper floor Waltower Loft units onto the roof of the Arcade potentially hitting the glass skylight.
- The terra cotta cornice topping the Scarritt Building above Grand Boulevard was structurally compromised in the past. Metal bracing was added to support the stone material. However, the bracing is now heavily rusted and the stone should be re-stabilized.
- Some of the bricks and ashlar on the vertical improvements have cracked, separated, or had the outer face delaminate (spalling).
- Security railings protecting deep window wells to the basement along the E 9th Street frontage pedestrian sidewalks have eroded or rusted to the point of failure.
- The sidewalk vault beneath E 9th Street has required bracing to prevent collapse.

Trespassing/Vagrancy/Vandalism/Illegal Camping

The study area structures are currently 93.2% vacant but still operating due to three in-place leases. Securing and supervising mostly empty structures in the urban context is problematic. Management reports a homeless person entered the building during business hours and propped open an upper floor exterior fire escape door last winter in the hopes of gaining access later with the result that pipes froze and burst damaging Floors 9, 10, and 11. Last year someone entered during business hours and stole the fire panel. The alleyway between the Scarritt Building, Arcade, and Waltower Lofts was vacated in April of 1985. Four dumpsters are present in the alleyway. Significant trash and abandoned items are left in the alleyway by tenants at Waltower Lofts. These factors combine to attract trespassers and illegal campers to the alleyway. The issue is compounded by the closure of the adjoining parking deck to the north which also becomes a

site for trespassing and illegal camping. On five separate occasions vagrants were observed in the alleyway.

Photographs depicting the multiple blighting factors discussed above, except those illustrated in Component #1, are included on the following pages.

Bracing Beneath The Sidewalk Vault On E 9th Street – Scarritt Building



Rusting Bracing Added To Cornice Work – 11th Floor Of Scarritt Building Above Grand Blvd.



Rusting Bracing Added To Cornice Work – 11th Floor Of Scarritt Building Above Grand Blvd.



COMPARISON PHOTOGRAPHS

View Of Alleyway At Study Area On November 9, 2019



View Of Alleyway South Of E 9th Street On November 9, 2019 (Fence Is For Roadwork Only)



INSANITARY OR UNSAFE CONDITIONS – FAILING STRUCTURAL COMPONENTS



Dislodged Bricks – North Elevation Scarritt



Vertical Brick Failure – East Elevation Scarritt



Vertical Brick Failure – East Elevation Scarritt



Vertical Brick Failure – East Elevation Scarritt



Deteriorating Cornice Work – 11th Floor Of Scarritt



Deteriorating Cornice Work – 11th Floor Of Scarritt

INSANITARY OR UNSAFE CONDITIONS – FAILING STRUCTURAL COMPONENTS



Spalled Brick Faces – North Elevation Scarritt



Dislodged Ashlar Face – East Elevation Scarritt



Deteriorating Cornice – West Elevation Scarritt



Dislodged Ashlar – South Elevation Scarritt



Spalling Ashlar – East Elevation Scarritt



Dislodged Brick – West Elevation Scarritt

INSANITARY OR UNSAFE CONDITIONS – FAILING STRUCTURAL COMPONENTS



Spalling Ashlar – West Elevation Scarritt



Dislodged Brick – West Elevation Scarritt



Failed Security Railing – Scarritt – E 9th Street



Failed Security Railing – Scarritt – E 9th Street



Collapsing Ceiling – Scarritt



Shifting/Settling Marble Panels – Arcade

INSANITARY OR UNSAFE CONDITIONS – POTENTIAL LEAD-BASED PAINT



Scarritt Building



Scarritt Building



Scarritt Building



Arcade



Arcade



Arcade

INSANITARY OR UNSAFE CONDITIONS – ENVIRONMENTAL HAZARDS



Pipe Wrapping – Scarritt



Compromised Pipe Wrapping – Scarritt



Pipe Wrapping – Scarritt



Pipe Wrapping – Scarritt



Potential Lead-Based Piping – Scarritt



Potential Lead-Based Piping – Scarritt

INSANITARY OR UNSAFE CONDITIONS – MISCELLANEOUS



Mold – Arcade



Mold – Scarritt Ballroom Support



Dead Bird – Scarritt



Dead Bird – Arcade



Dead Bird – Arcade



Vandalism Attempt – 1,200 Volt Line

INSANITARY OR UNSAFE CONDITIONS – MISCELLANEOUS



Pigeon Trap & Pigeon Droppings – Scarritt



Pigeon Droppings – Scarritt



Pigeon Droppings – Scarritt



Feces On Arcade Roof – From Waltower?



Discarded Household Item On Arcade Roof
Likely Thrown From Adjoining Waltower



Discarded Beer Bottle On Arcade Roof
Likely Thrown From Adjoining Waltower

INSANITARY OR UNSAFE CONDITIONS – TRASH



Used Condom In Scarritt Building



Mattress In Office Area Of Scarritt Building



Trash Along South Elevation – Scarritt Building



Trash In Adjoining Garage Entrance – Scarritt



Trash Along South Elevation – Scarritt Building



Empty Alcohol Container North Elevation Scarritt

INSANITARY OR UNSAFE CONDITIONS – TRASH



Trash Along North Elevation – Scarritt Building



Trash In Alleyway – Scarritt Building



Trash In Hallway Of Scarritt Building



Construction Materials In Hallway– Scarritt



Trash In Alleyway – Scarritt & Arcade



Trash In Alleyway – Scarritt & Arcade

INSANITARY OR UNSAFE CONDITIONS – ALLEYWAY TRASH



Alleyway Between Scarritt/Arcade/Waltower



Alleyway Between Scarritt/Arcade/Waltower



Alleyway Between Scarritt/Arcade/Waltower



Alleyway Between Scarritt/Arcade/Waltower



Alleyway Between Scarritt/Arcade/Waltower



Alleyway Between Scarritt/Arcade/Waltower

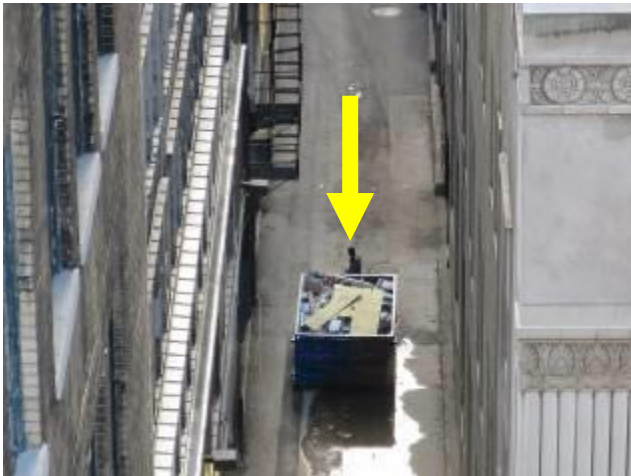
INSANITARY OR UNSAFE CONDITIONS – ALLEYWAY TRESPASSING & VAGRANCY



Alleyway Between Scarritt/Arcade/Waltower



Alleyway Between Scarritt/Arcade/Waltower



Alleyway Between Scarritt/Arcade/Waltower



Alleyway Between Scarritt/Arcade/Waltower



Alleyway Between Scarritt/Arcade/Waltower



Alleyway Between Scarritt/Arcade/Waltower

Component 3: Deterioration Of Site Improvements

Deterioration of improvements involves both building and site improvements. The study area is improved with the following uses:

| Address | JackMO Tax Parcel No. | Use | Quality | Condition |
|-------------------|--------------------------|-------------------------------|---------|-----------|
| 818 Grand Blvd. | 29-220-21-06-00-0-00-000 | Mostly Vacant Office Tower | Average | Poor-Fair |
| 819 Walnut Street | 29-220-21-04-00-0-00-000 | Mostly Vacant Office Building | Average | Poor-Fair |

The two vertical improvements in the study area date to 1906 and are 113 years in age. Both structures are listed on the National Register of Historic Places. The advanced age combined with the lack of maintenance, updating and supervision, have led to extensive physical depreciation and deterioration compounded by damage from vandalism. The age of construction also leads to extensive functional obsolescence (building systems, layouts, materials). External obsolescence is also prevalent due to neighborhood issues (vacant and unsightly properties, trespassing, illegal camping, vandalism, graffiti, alcohol consumption).

Pedestrian Circulation

Safe and adequately maintained public sidewalks, curbs, and driveways are conducive to efficient and safe vehicle and pedestrian circulation are part of appropriate street design and layout (Component #1). Poorly maintained public sidewalks and curbs exist along the road frontages and create safety hazards (Blight Components #1 and #2). By contrast, the public sidewalks and curbs along the east side of Grand Boulevard fronting the Courthouse Loft conversion are attractive and well maintained. Streetscape elements, as prescribed in the Kansas City Downtown Streetscape Master Plan, are lacking within the study area.

Exterior Walls

Exterior walls are generally brick, ashlar, or terra cotta and generally are in poor to fair condition. All of the masonry structures would need tuckpointing, power washing, and repairs and stabilization (terra cotta and cornices).

Windows & Doors

Original wood frame windows (storefronts and double hung) are heavily deteriorated. Panes are of single glazed design. A number of windows are broken, particularly on the west elevation (adjoining Waltower Lofts and alleyway). Doors are generally wood and are heavily deteriorated including the fixtures. The cloth awnings along the west façade of the Arcade need to be replaced.

Roofs

The white membrane on the Scarritt Building is functioning but should be replaced in the near future (but most likely with any major renovation of the building). The black membrane on the Arcade flat roof does not appear to have been properly applied (and is loose in numerous places). The tile copping on the Arcade is deteriorating and damaged. The glass and metal frame skylight covering the lightwell at the Arcade has broken glass panes and heavily rusted metal components. Damaged from water leakage is evident throughout the upper level of the Arcade. The terra cotta cornice on the 11th Floor of the Scarritt Building required metal support frames for stabilization at some point in the past, but the provision is now extensively rusted and should be repaired or replaced. Failing terra cotta would be a life safety issue for pedestrians or vehicles below on Grand Boulevard.

Floors

Most of the floors within the structures in the study area are carpeted or have other hard surfaces (various tiles, wood). All floor covering is essentially totally depreciated. Carpeting is quite dated and typically mauve, hunter green, avocado, or of wild “casino” design. Much of the carpeting on Floors 9, 10, 11 and the basement level (public or leasable) have been removed due to water damage (leaving exposed and unsightly concrete). Tile floors are deteriorated.

Interior Walls

Interior walls are damaged (water leaks, settling, abuse) or deteriorated (peeling paint, delaminating wallcovering, lack of maintenance) in many places. In the four areas damaged by water leaks all wallboard has been removed to three feet. A functional issue is the presence of numerous partitions while modern standards prefer large open areas allowing collaboration.

Ceilings

Similar to the interior walls, ceilings are damaged (water leaks, abuse) or deteriorated (peeling paint, deteriorating terra cotta, lack of maintenance) in many places. In the four areas damaged by water leaks much of the ceiling finish (typically suspended grid) has been removed. A functional issue is lower than preferred ceiling heights for office use.

Electrical/Lighting

Some electrical wiring appears to have been updated but other areas clearly have the original provision. Wiring in the Arcade (and limited areas in the Scarritt Building) is via attached wall and ceiling strips (post construction additions). The light switch for Arcade offices is located on the back wall of the space (safety and functional issue). Light fixtures are a mixture of modern and original fixtures. Renovation would likely include energy efficient LED or fluorescent fixtures.

Plumbing

Although some plumbing has been replaced over the past 113 years, some clearly appears to be the original provision.

HVAC

The cooling tower on the roof of the Scarritt Building has remaining economic life, although the metal supports are heavily rusted. The HVAC equipment on the roof of the Arcade is heavily rusted. Current HVAC design and components would be much more energy efficient than the present provision.

Kitchens

Kitchen or breakroom spaces is noticeably lacking at both buildings.

Restrooms

The restrooms in both buildings have dated fixtures. Partitions, sinks, counters, and fixtures are dated and unappealing. Toilets are tank-flush rather than vacuum-flush. Numerous fixtures were marked as “out of order.” The restrooms in the Arcade have a step up at the entrance (safety and ADA issue). Also, the Arcade has one restroom per floor currently marked every other floor by gender. Partitions between stools in the Arcade lack height, reducing privacy. Restrooms lacking window space were poorly lite. Water damage is evident in many restrooms. Odor was present in most restrooms.

Functional Obsolescence

The Scarritt Building and Arcade were designed and built 113 years ago. Construction techniques and materials and building codes have changed dramatically over the past century. Numerous functional issues were described above. An additional dysfunction in the Scarritt Building is that some upper level spaces were converted to “bride” and “bridegroom” party residential units to support the former event space use on the first floor. Two other main issues contributing to the failure of the Scarritt Building and Arcade as office property are the small dysfunctional floorplates (by modern standards) and the lack of off-street parking. The floorplates of the Scarritt Building are approximately 11,500 square feet (Floors 3-11). The table below provides comparison of the floorplate size for the Scarritt Building and modern office tower additions to the downtown/Crown Center neighborhood.

DOWNTOWN MODERN OFFICE BUILDING FLOORPLATES

| Building Name | Address | Built | Stories | Floorplate SF | Diff. to Scarritt |
|--------------------------|------------------------|-------------|-----------|---------------|-------------------|
| Commerce Tower | 911 Main | 1965 | 30 | 14,800 | 129% |
| 10 Main Center | 920 Main | 1968 | 20 | 13,853 | 120% |
| 2345 Grand | 2345 Grand | 1977 | 28 | 19,162 | 167% |
| City Center Square | 1100 Main | 1977 | 30 | 19,927 | 173% |
| Town Pavilion | 1111 Main | 1986 | 38 | 23,377 | 203% |
| 2405 Grand | 2405 Grand | 1986 | 14 | 18,000 | 157% |
| Commerce Bank Building | 1000 Walnut | 1986 | 18 | 22,500 | 196% |
| Two Pershing Square | 2300 Main | 1987 | 11 | 48,902 | 425% |
| One KC Place | 1200 Main | 1988 | 42 | 20,000 | 174% |
| 1201 Walnut | 1201 Walnut | 1991 | 30 | 20,000 | 174% |
| 2600 Grand | 2600 Grand | 1991 | 14 | 23,000 | 200% |
| FAA | 901 Locust | 1999 | 6 | 34,101 | 297% |
| 805 Penn | 805 Pennsylvania | 1999 | 7 | 34,424 | 299% |
| H&R Block | 1301 Main | 2006 | 17 | 27,675 | 241% |
| JE Dunn | 1001 Locust | 2009 | 6 | 34,167 | 297% |
| Scarritt Building | 818 Grand Blvd. | 1906 | 11 | 11,500 | 217% |

The floorplates at the comparable office array range from 13,853 to 48,902 rentable square feet or from 2,353 to 37,402 square feet more than at the Scarritt Building. The average floorplate at the 15 comparison properties is 24,926 square feet which is 13,426 square feet larger than at the subject. The smallest floorplate in the array is 120% larger than the subject while the largest floorplate is 425% larger. The average floorplate at the 15 competing properties is 217% larger than the subject floorplate. The most recent major office announcements has been the addition of government agencies with leases negotiated by the GSA in building with floorplates of 48,902 square feet (Two Pershing Square) and 34,424 square feet (805 Penn). Additionally, the west elevation of the Scarritt Building faces directly into the rear (east) elevation of Waltower Lofts (12 stories; limiting view and light penetration).

The Arcade only has floorplates of roundly 5,180 square feet. The smaller floorplates are acceptable in a small building constructed for very small tenants. However, the lightwell creates very low efficiency ratio (rentable to gross) of 56%. The adjoining Waltower Lofts to the south and the parking garage to the north prohibit window space on the south wall for all four floors and on the lower two floors along the north walls. The lack of window space and lightwell create a rather dysfunctional floor plan and interior design.

Smaller floorplates in older buildings and changing office dynamics have led to the conversion of numerous older downtown office towers to residential or lodging use. Recent conversions of office towers in the CBD to residential or lodging use are outlined in the table below:

RECENT DOWNTOWN CONVERSIONS

| Property Name | Built | Stories |
|---------------------------------|-------|---------|
| Dwight Building (Library Lofts) | 1902 | 10 |
| Lucas Place | 1904 | 8 |
| Argyle Building | 1906 | 10 |
| Burnap Building (Library Lofts) | 1909 | 6 |
| Dierks Building | 1910 | 17 |
| Stuart Hall | 1910 | 7 |
| Western Auto | 1914 | 12 |
| Graphic Arts Building | 1915 | 8 |
| HD Lee | 1916 | 7 |
| Pershing Building | 1919 | 10 |
| Old Federal Reserve | 1921 | 21 |
| Professional Building | 1923 | 16 |
| Board of Trade | 1924 | 14 |
| Fidelity National | 1930 | 32 |
| KC Power & Light Building | 1930 | 36 |
| Old Federal Courthouse | 1932 | 10 |
| Park Place | 1963 | 19 |
| Commerce Tower | 1965 | 30 |
| 710 Main | 1973 | 10 |
| Mercantile (Wallstreet) Tower | 1975 | 20 |

Only a few of these properties are older than the Scarritt Building and Arcade. Due to the combination of the building height and the location on the northern fringe of the downtown loop, the view amenity for residential or lodging conversion would be appealing.

Convenient and affordable parking is a requirement for downtown high-rise structures. Most new office structures have been built with underground parking. The study area lacks any off-street parking. The table on the following page compares the parking provision at competing downtown high-rise structures.

The recent downtown office parking standard is 3.0 parking spaces per 1,000 rentable square feet provided in underground parking, adjacent above ground structured parking, adjacent surface lots, or combination thereof. The average of these 19 downtown office properties is 2.8 spaces per 1,000 rentable square feet.

DOWNTOWN OFFICE TOWER PARKING PROVISIONS

| Property Name | Built | Spaces | Ratio |
|---------------------------------------|--------------|---------------|--------------|
| New York Life Bldg. | 1888 | 565 | 2.5 |
| Mark Twain Tower | 1915 | 225 | 1.2 |
| Pershing Building | 1919 | 320 | 2.8 |
| Commerce Tower | 1964 | 834 | 1.9 |
| NationsBank | 1968 | 755 | 2.2 |
| Mercantile (Wallstreet) Tower | 1975 | 600 | 2.6 |
| 2435 Grand | 1977 | 799 | 1.4 |
| City Centre Square | 1978 | 320 | 2.2 |
| One Pershing Square | 1979 | 948 | 5.8 |
| Commerce Bank Building | 1986 | 600 | 3.0 |
| Town Pavilion | 1986 | 2,500 | 3.0 |
| 2405 Grand | 1986 | 1700 | 3.0 |
| Two Pershing Square | 1987 | 1695 | 3.5 |
| One KC Place | 1988 | 1,200 | 1.5 |
| 1201 Walnut | 1991 | 2,500 | 3.0 |
| 2600 Grand | 1991 | 1700 | 3.0 |
| 805 Penn | 1999 | 688 | 4.4 |
| H&R Block | 2006 | 1,130 | 2.4 |
| JE Dunn | 2009 | 800 | 3.9 |
| AVERAGE | 1972 | 1,066 | 2.8 |
| Scarritt Building & Arcade | 1906 | 0 | 0.0 |

The relative weak downtown office market combined with the small floorplates of the subject improvements, lack of off-street parking, and lack of modernization, upkeep, and maintenance have caused the two office uses within the study area to languish in recent years. The properties are currently only 6.8% occupied (7,971 of 116,406 rentable square feet). Vacancy within the study area and the two adjoining office towers is summarized below:

| Building | Built | Stories | RSF | Vacant SF | Vacant % |
|-----------------|--------------|----------------|----------------|------------------|-----------------|
| Scarritt | 1906 | 11 | 104,750 | 99,032 | 94.5% |
| Arcade | 1906 | 4 | 11,656 | 9,403 | 80.7% |
| 901 Grand | 1911 | 12 | 60,000 | 60,000 | 100.0% |
| 906 Grand | 1912 | 13 | 138,125 | 131,180 | 95.0% |
| Total | 1910 | 40 | 314,531 | 299,615 | 95.3% |

The four high-rise office structures consist of 40 combined stories and contain 314,531 rentable square feet of which 95.3% is currently vacant.

Photographs of physical deterioration and functional obsolescence taken during the inspections and depicting the multiple blighting factors discussed above, are included on the following pages.

ROOF DETERIORATION

Deteriorating & Rusting Cornice Supports – 11th Floor Scarritt Building



Deteriorating Cornice – 12th Floor Scarritt Building



ROOF DETERIORATION

Improper Drainage, Vegetation, Trash – Arcade



Loose Membrane & Standing Water – Arcade



ROOF DETERIORATION

Deteriorating & Rusting Skylight Supports – Above Arcade Lightwell



Deteriorating & Rusting Skylight Supports – Above Arcade Lightwell



ROOF DETERIORATION

Deteriorating & Rusting Skylight Supports & Drainage – Above Arcade Lightwell



Deteriorating & Rusting Skylight Supports & Drainage – Above Arcade Lightwell



ROOF DETERIORATION

Deteriorating Skylight – Scarritt Building



Deteriorating Freight Elevator Penthouse – Scarritt Building



ROOF DETERIORATION

Deteriorating Skylight & Membrane – Scarritt Building



Deteriorating Cooling Tower Supports – Scarritt Building



ROOF DETERIORATION

Tile Copping Damage – Arcade



Tile Copping Damage – Arcade



EXTERIOR WALL DETERIORATION

North Elevation – Scarritt Building



North Elevation – Scarritt Building



EXTERIOR WALL DETERIORATION

Deteriorating & Unsightly North Elevation – Scarritt Building



Deteriorating North & East Walls Of Arcade Lacking Window Space



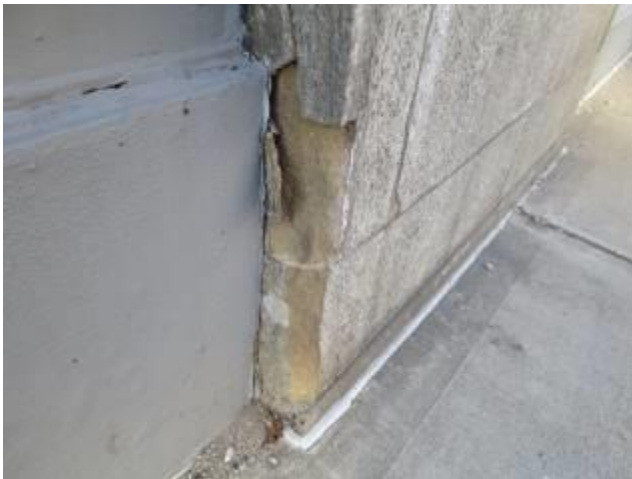
EXTERIOR WALL DETERIORATION



North Elevation – Scarritt Building



North Elevation – Scarritt Building



East Elevation – Scarritt Building



East Elevation – Scarritt Building



East Elevation – Scarritt Building



East Elevation – Scarritt Building

EXTERIOR WALL DETERIORATION



East Elevation – Scarritt Building



East Elevation – Scarritt Building



East Elevation – Scarritt Building



East Elevation – Scarritt Building



South Elevation – Scarritt Building



North Elevation – Scarritt Building

EXTERIOR WALL DETERIORATION



East Elevation – Scarritt Building



East Elevation – Scarritt Building



South Elevation – Scarritt Building



South Elevation – Scarritt Building



South Elevation – Scarritt Building



South Elevation – Scarritt Building

EXTERIOR WALL DETERIORATION



South Elevation – Scarritt Building



South Elevation – Scarritt Building



South Elevation – Scarritt Building



South Elevation – Scarritt Building



South Elevation – Scarritt Building



South Elevation – Scarritt Building

EXTERIOR WALL DETERIORATION



South Elevation – Scarritt Building



South Elevation – Scarritt Building



South Elevation – Scarritt Building



South Elevation – Scarritt Building



South Elevation – Scarritt Building



South Elevation – Scarritt Building

EXTERIOR WALL DETERIORATION



South Elevation – Scarritt Building



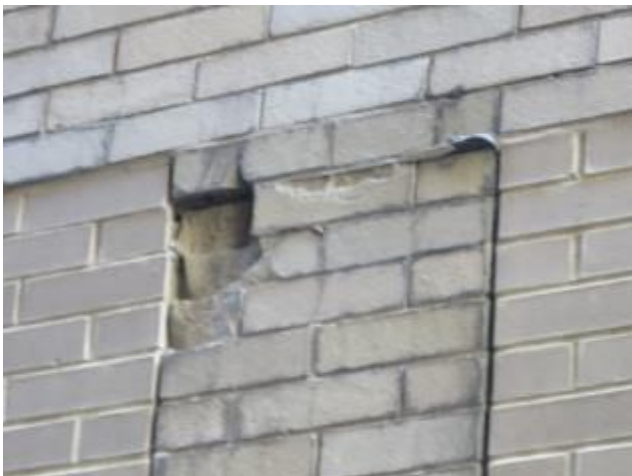
West Elevation – Scarritt Building



West Elevation – Scarritt Building



West Elevation – Scarritt Building



West Elevation – Scarritt Building



West Elevation – Arcade

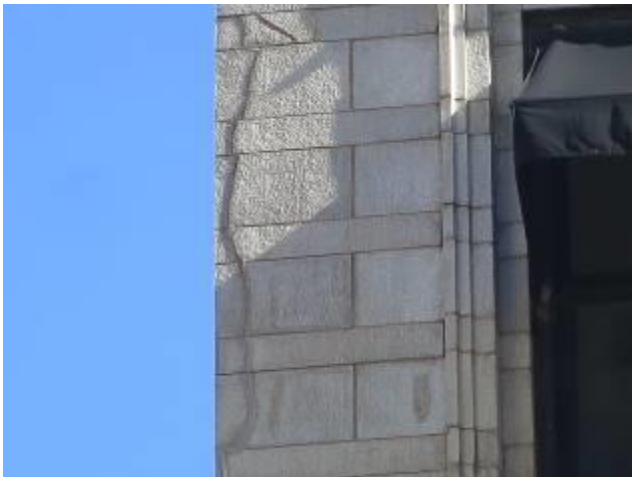
EXTERIOR WALL DETERIORATION



West Elevation – Arcade



West Elevation – Arcade



West Elevation – Arcade



West Elevation (Inverted) – Arcade



West Elevation – Arcade



West Elevation – Arcade

WINDOW DETERIORATION

West Elevation – Scarritt Building



South Elevation – Scarritt Building



WINDOW DETERIORATION

West Elevation – Scarritt Building



West Elevation – Scarritt Building



WINDOW DETERIORATION



South Elevation – Scarritt Building



South Elevation – Scarritt Building



South Elevation – Scarritt Building



South Elevation – Scarritt Building



South Elevation – Scarritt Building



South Elevation – Scarritt Building

WINDOW DETERIORATION



South Elevation – Scarritt Building



South Elevation – Scarritt Building



South Elevation – Scarritt Building



South Elevation – Scarritt Building



South Elevation – Scarritt Building



South Elevation – Scarritt Building

WINDOW DETERIORATION



South Elevation – Scarritt Building



South Elevation – Scarritt Building



West Elevation – Scarritt Building



West Elevation – Scarritt Building



West Elevation – Scarritt Building



West Elevation – Scarritt Building

WINDOW DETERIORATION



North Elevation – Scarritt Building



North Elevation – Scarritt Building



North Elevation – Scarritt Building



West Elevation – Scarritt Building



West Elevation – Scarritt Building



North Elevation – Scarritt Building

WINDOW DETERIORATION



West Elevation – Scarritt Building



East Elevation – Scarritt Building



South Elevation – Scarritt Building



West Elevation – Scarritt Building



West Elevation – Scarritt Building



West Elevation – Scarritt Building

DOOR DETERIORATION

Scarritt Building – Grand Boulevard Entrance



Scarritt Building – Grand Boulevard Entrance



DOOR DETERIORATION

Scarritt Building – Grand Boulevard Entrance



Scarritt Building – E 9th Street Entrance



DOOR DETERIORATION

Scarritt Building – E 9th Street Entrance



Restroom Door – Scarritt Building



DOOR DETERIORATION

Interior Door Damage – Arcade



Interior Door Damage – Scarritt Building



SECURITY RAILING DETERIORATION

Along E 9th Street Window Wells – Scarritt Building



Along E 9th Street Window Wells – Scarritt Building



SECURITY RAILING DETERIORATION

Along E 9th Street Window Wells – Scarritt Building



Along E 9th Street Window Wells – Scarritt Building



SECURITY RAILING DETERIORATION

Along E 9th Street Window Wells – Scarritt Building



Along E 9th Street Window Wells – Scarritt Building



CEILING DETERIORATION

Scarritt Building



Scarritt Arcade



CEILING DETERIORATION



Scarritt Building



Scarritt Building



Scarritt Building



Scarritt Building



Scarritt Building



Scarritt Building

CEILING DETERIORATION



Scarritt Building



Scarritt Building – Aging Skylight



Scarritt Building



Arcade Building



Damage From Frozen Water Pipe Caused By Vandal



Water Damage From Ceiling Leak – Arcade

CEILING DETERIORATION



Water Damage From Ceiling Leak – Arcade



Ceiling Leak – Arcade



Broken Glass Pane In Skylight – Arcade



Broken Glass Pane In Skylight – Arcade



Broken Glass Pane In Skylight – Arcade



Broken Glass Pane In Skylight – Arcade

CEILING DETERIORATION



Broken Glass Pane In Skylight – Arcade



Broken Glass Pane In Skylight – Arcade



Scarritt Building Penthouse



Scarritt Building



Scarritt Building



Scarritt Building

INTERIOR WALL DETERIORATION

Damage Due To Frozen Water Pipes Caused By Vandals – Upper Floors Scarritt



Damage Due To Burst Water Pipe – Lower Floor Scarritt



INTERIOR WALL DETERIORATION



Water Damaged Marble – Scarritt Building



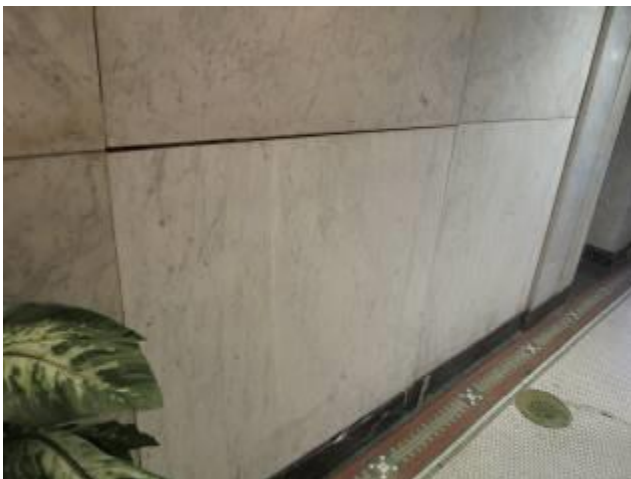
Water Damaged Marble – Arcade



Water Damage – Scarritt Building



Shifting Marble Panel – Arcade



Shifting Marble Panel – Arcade



Scarritt Building Penthouse

INTERIOR WALL DETERIORATION



Scarritt Ballroom Auxilliary



Scarritt Ballroom Auxilliary



Scarritt Ballroom Auxilliary



Scarritt Ballroom Auxilliary



Scarritt Ballroom Auxilliary



Scarritt Ballroom

INTERIOR WALL DETERIORATION



Scarritt Building



Scarritt Building



Scarritt Building



Scarritt Building



Scarritt Building



Scarritt Building

INTERIOR WALL DETERIORATION



Scarritt Building



Scarritt Building



Scarritt Building



Scarritt Building



Water Damage – Scarritt Building



Water Damage – Scarritt Building

INTERIOR WALL DETERIORATION



Shifting Marble Panels – Scarritt Building



Water Damage – Scarritt Building



Water Damage – Scarritt Building



Water Damage – Scarritt Building



Scarritt Building



Arcade

INTERIOR WALL DETERIORATION



Scarritt Building



Scarritt Building



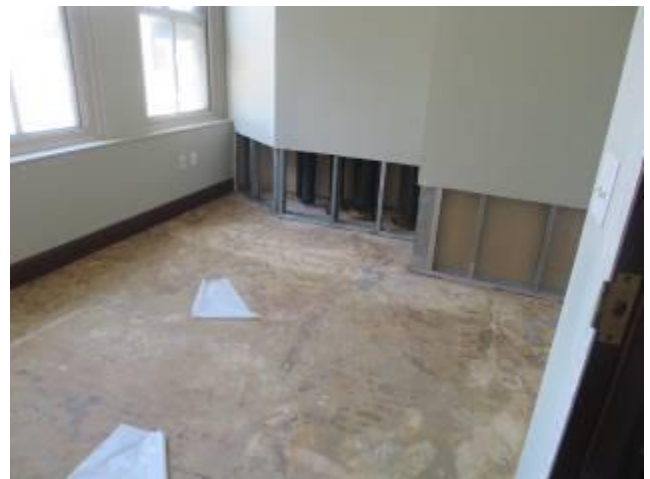
Scarritt Building



Water Damage – Scarritt Building



Scarritt Building



Water Damage – Scarritt Building

INTERIOR WALL DETERIORATION



Arcade



Water Damage From Ceiling Leak – Arcade



Water Damage From Ceiling Leak – Arcade



Water Damage From Ceiling Leak – Arcade



Water Damage From Skylight Leak – Arcade



Water Damage From Skylight Leak – Arcade

INTERIOR WALL DETERIORATION



Water Damage From Skylight Leak – Arcade



Water Damage From Skylight Leak – Arcade



Lightwell Damage – Arcade



Lightwell Damage – Arcade



Water Damage From Skylight Leak – Arcade



Marble Panel Damage – Arcade

FLOOR DETERIORATION

Scarritt Building



Scarritt Building Hallway/Elevator Lobby



FLOOR DETERIORATION



Scarritt Lobby Carpet



Scarritt Lobby Carpet



Scarritt Lobby Carpet



Scarritt Lobby Carpet



Scarritt Lobby Carpet



Scarritt Lobby Carpet

FLOOR DETERIORATION



Scarritt Ballroom



Scarritt Ballroom



Scarritt Ballroom



Scarritt Ballroom



Scarritt Ballroom



Scarritt Ballroom Auxilliary

FLOOR DETERIORATION



Scarritt Ballroom Auxilliary



Scarritt Ballroom Auxilliary



Scarritt Ballroom Auxilliary



Scarritt Ballroom Auxilliary



Scarritt Ballroom Auxilliary



Scarritt Upper Floor

FLOOR DETERIORATION



Water Damage – Scarritt Building



Scarritt Building



Scarritt Building



Water Damage – Scarritt Building



Scarritt Building



Scarritt Building

FLOOR DETERIORATION



Scarritt Building



Scarritt Building



Scarritt Building



Scarritt Building



Scarritt Building



Scarritt Building

FLOOR DETERIORATION



Scarritt Building



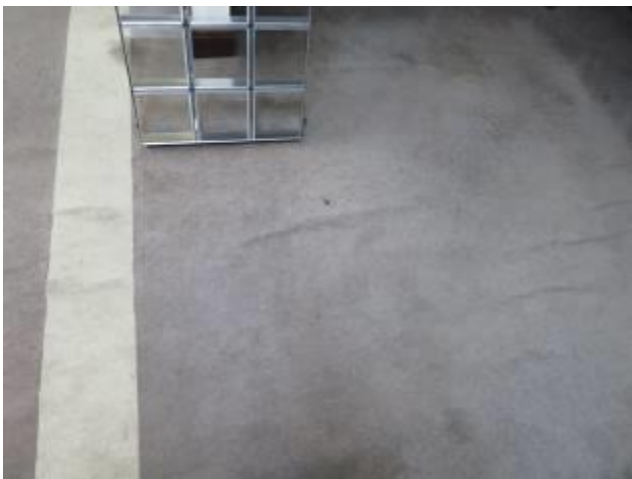
Scarritt Building



Scarritt Building



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Scarritt Building



Scarritt Building

FLOOR DETERIORATION



Scarritt Building



Scarritt Building



Scarritt Building



Scarritt Building



Scarritt Building



Scarritt Building

FLOOR DETERIORATION



Scarritt Building



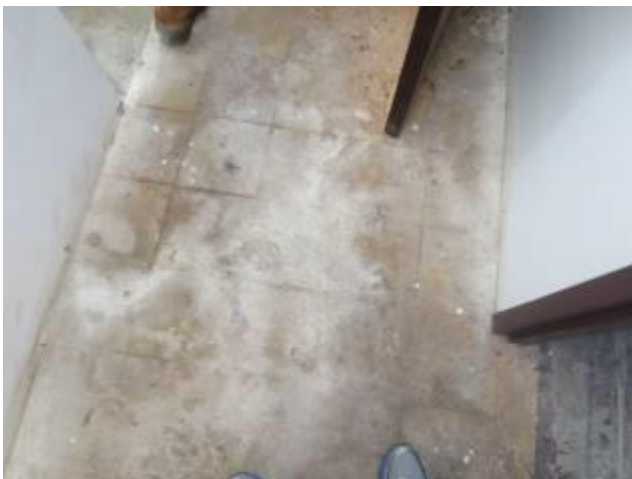
Scarritt Building



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Scarritt Building



Water Damage – Scarritt Building



Scarritt Building

FLOOR DETERIORATION



Scarritt Building



Scarritt Building



Scarritt Building



Scarritt Building



Scarritt Building



Scarritt Building

FLOOR DETERIORATION



Scarritt Building



Scarritt Building



Scarritt Building



Scarritt Building



Scarritt Building



Scarritt Building

FLOOR DETERIORATION



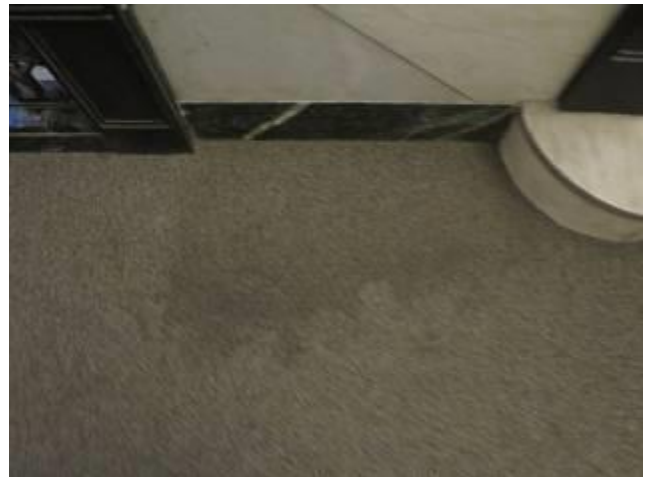
Water Damage – Scarritt Building



Scarritt Building



Water Damage – Scarritt Building



Scarritt Building



Scarritt Building



Water Damage – Scarritt Building

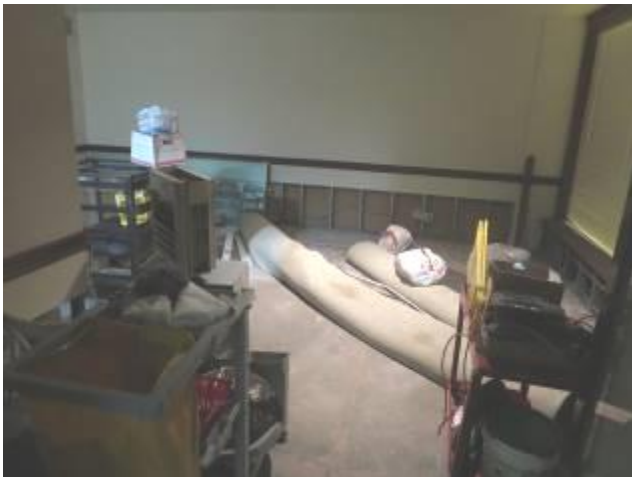
FLOOR DETERIORATION



Water Damage – Scarritt Building



Water Damage – Scarritt Building



Scarritt Building



Scarritt Building



Water Damage – Scarritt Building



Water Damage – Scarritt Building

FLOOR DETERIORATION



Scarritt Building



Scarritt Building



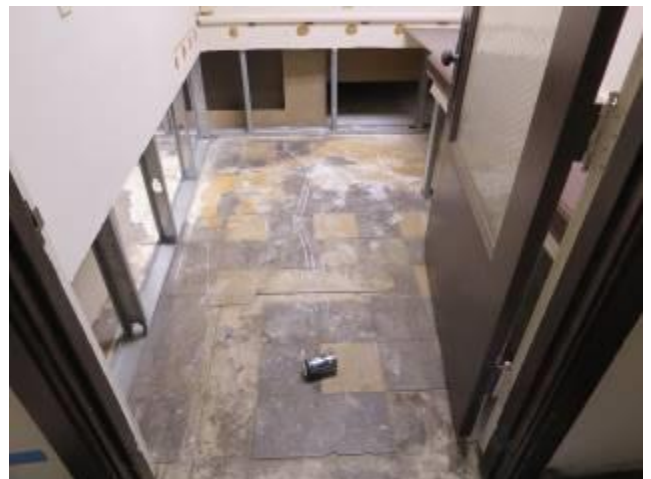
Scarritt Building



Water Damage – Scarritt Building



Water Damage – Scarritt Building



Water Damage – Scarritt Building

FLOOR DETERIORATION



Water Damage – Scarritt Building



Arcade



Office – Arcade



Office – Arcade



Office – Arcade



Hallway – Arcade

FLOOR DETERIORATION



Office – Arcade



Hallway – Arcade



Office – Arcade



Hallway – Arcade

RESTROOM DETERIORATION



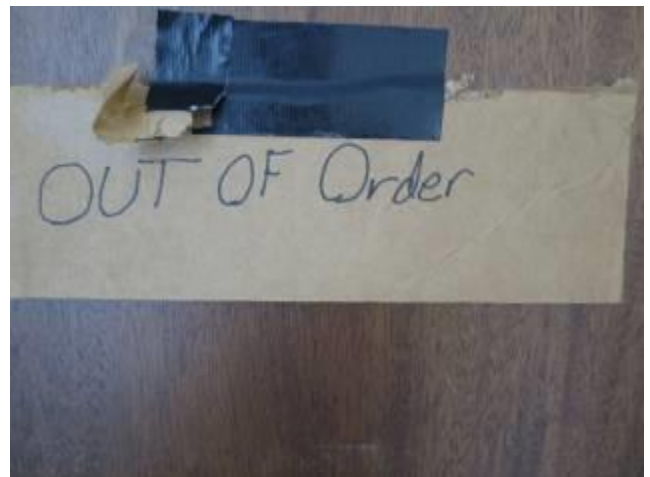
Scarritt Building



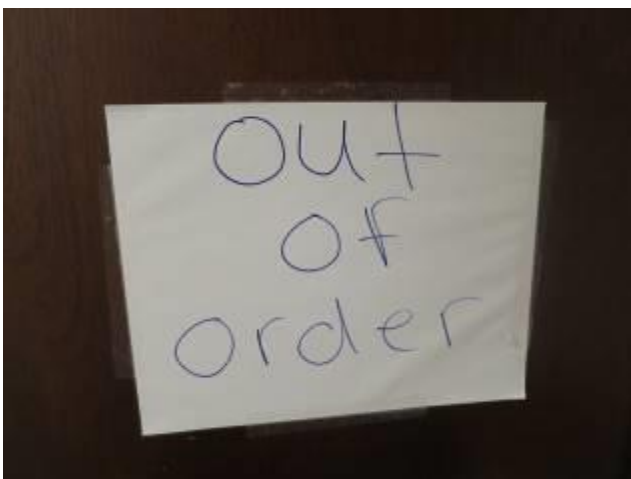
Scarritt Building



Scarritt Building



Scarritt Building



Scarritt Building



Arcade

RESTROOM DETERIORATION



Scarritt Building



Scarritt Building



Scarritt Building



Scarritt Building



Scarritt Building



Scarritt Building

RESTROOM DETERIORATION



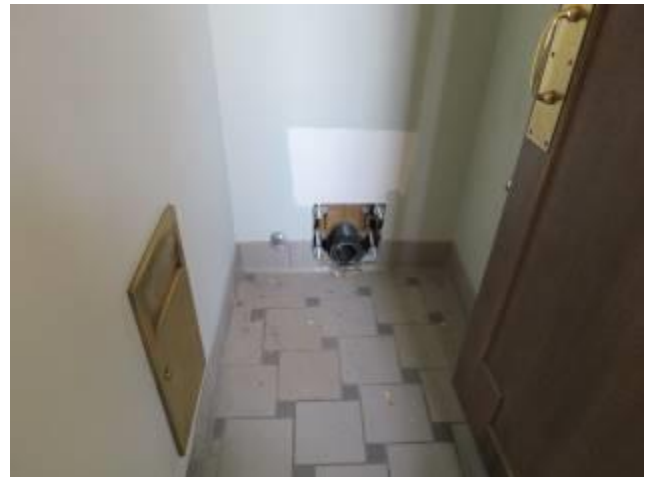
Scarritt Building



Scarritt Building



Scarritt Building



Scarritt Building



Scarritt Building

INTERIOR DETERIORATION - MISCELLANEOUS



Fire Panel Replacement After Theft – Scarritt



Small & Dated Elevator Cab



Aging Pipes & Distribution



Closed Hallway



Electrical Issues



Plumbing Issues

INTERIOR DETERIORATION - MISCELLANEOUS



Unfinished Connector Between Scarritt & Arcade



Typical Unsightly Storage Room Each Floor Scarritt



Dated & Worn Elevator Lobby – Arcade



Small & Dated Elevator Cab – Arcade



Unsightly Elevator Controls – Arcade



HVAC Issue – Arcade

INTERIOR DETERIORATION - MISCELLANEOUS



Closed Hallway – Scarritt Building



Closed Hallway – Scarritt Building



Closed Hallway – Scarritt Building

FUNCTIONAL OBSOLESCENCE



Skylight & Rusted HVAC – Arcade



Air Handler & HVAC Equipment Access



Ramp Into Ballroom – Scarritt Building



Excessive Office Partitions – Scarritt Building



Narrow Hallway & Multiple Partitions – Scarritt



Wasted Elevator Lobby – Upper Floors Scarritt

FUNCTIONAL OBSOLESCENCE



Low Ceilings – Scarrit Basement



Typical Step Up To Restroom – Arcade



Electrical Wall Strips – Arcade



One Restroom Per Floor (Gender Specific) – Arcade



Electrical Wall Strips – Arcade

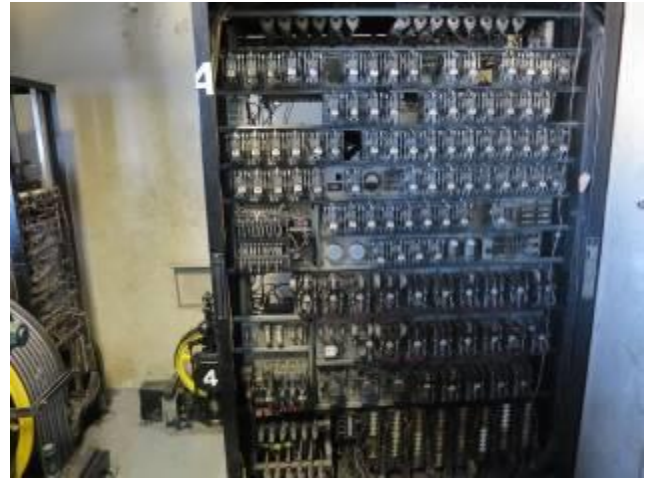


Exterior Fire Stairs – Scarritt Building

FUNCTIONAL OBSOLESCENCE



Obsolete Elevator Switchgear – Scarritt



Obsolete Elevator Switchgear – Scarritt



Obsolete Elevator Switchgear – Scarritt



Obsolete Elevator Equipment – Scarritt



Lack Of Window Space North Wall Arcade



No Window Space North & South Wall – Arcade

Component 4: Improper Subdivision Or Obsolete Platting

This component of blight generally applies to the following:

- Urban settings where fractionated interests prohibit development of modern functional structures (e.g., numerous 25-foot wide city lots must be combined to create a footprint for an office building).
- Lot(s) with dysfunctional layout, size, or configuration
- Lot(s) with poor access
- Lack of conforming uses

The study area includes 6 platted parcels of rectangular configuration. All parcels have access and are held in a single ownership. Improper subdivision and obsolete platting are not considered a contributing factor to blight at the study area.

Component 5: Endangerment By Fire Or Other Causes

The study area is conveniently located for police and fire service. Fire Station #25 is located at 401 E Missouri Avenue, four blocks north and one block east of the study area (southeast corner of the River Market). The Scarritt Building and Arcade have fire sprinklers. It is likely many of the heads in the system need replacing. Significant abandoned FF&E and trash remains in both the Scarritt Building and Arcade (fire and safety hazard). The elevator shafts and stairwells are not pressurized. Exterior fire stairs are on the west elevation of the Scarritt Building.

The numerous blighting factors previously discussed concerning unsafe and deteriorating pedestrian circulation, insanitary or unsafe conditions, and deteriorating site improvements are also considered negative influences under this Component. Three of the four elevators in the Scarritt Building are not operational and some of the stairwells are closed off. Numerous environmental issues need to be addressed within the study area including asbestos, lead-based paint, PCBs, and mold. Due to extended vacancy and/or lack of supervision, trespassing, vandalism, illegal camping, illegal dumping, and accumulation of trash are all issues. Someone entered the building during business hours last year and stole the fire panel.

Although significant revitalization has occurred in the downtown over the past 15 years, pockets of blight remain, particularly on the north and east sides of the downtown loop. The following pages contain numerous photographs of blighting influences within the immediate vicinity of the study area from Grand Boulevard east to McGee Street (one block) and E 9th Street north to E 7th Street (two blocks).

Several negative factors within the study area are judged to endanger life by fire or other causes.

ABANDONED FF&E & TRASH



Scarritt Building



Scarritt Building



Scarritt Building



Scarritt Building



Scarritt Building



Scarritt Building

ABANDONED FF&E & TRASH



Scarritt Building



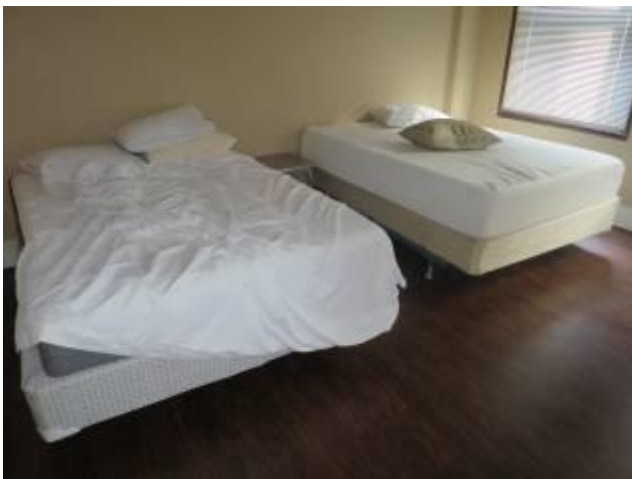
Scarritt Building



Scarritt Building



Scarritt Building



Scarritt Building



Scarritt Building

ABANDONED FF&E & TRASH



Scarritt Building



Scarritt Building



Scarritt Building



Scarritt Building



Scarritt Building



Scarritt Building

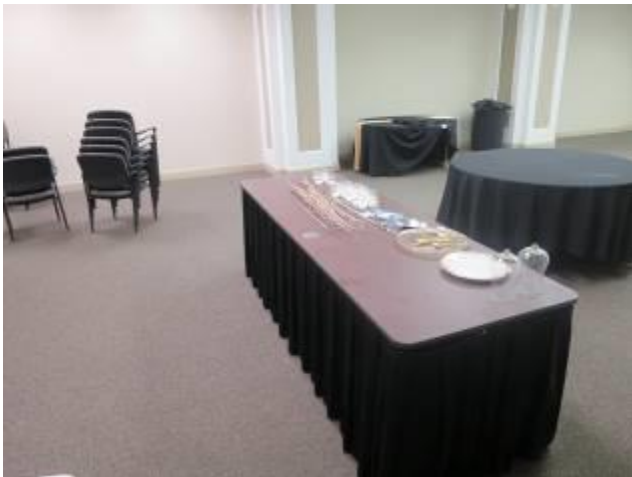
ABANDONED FF&E & TRASH



Scarritt Building



Scarritt Building



Scarritt Building



Scarritt Building



Scarritt Building



Scarritt Building

ABANDONED FF&E & TRASH



Arcade



Scarritt Building



Scarritt Building



Arcade



Arcade



Arcade

ABANDONED FF&E & TRASH



Arcade



Arcade



Arcade



Arcade



Scarritt Building



Scarritt Building

NEIGHBORHOOD BLIGHTING INFLUENCES

Closed Parking Garage Adjoining To The North Of The Study Area



Tattoo Parlor Adjoining To The North Of The Study Area



NEIGHBORHOOD BLIGHTING INFLUENCES

Closed Parking Garage Adjoining To The North Of The Study Area



Calcite Leeching Through Roof Of Closed Parking Garage North Of The Study Area



NEIGHBORHOOD BLIGHTING INFLUENCES

Trash & Trespassing Closed Parking Garage North Of The Study Area – Walnut Street



Trash & Trespassing Closed Parking Garage North Of The Study Area – Walnut Street



NEIGHBORHOOD BLIGHTING INFLUENCES

Trash & Trespassing Closed Parking Garage North Of The Study Area – Grand Boulevard



Unsightly & Deteriorating Closed Parking Garage North Of Study Area – Grand Boulevard



Trash & Trespassing Closed Garage North Of The Study Area – Grand Boulevard



Unsightly & Dangerous Property North Of E 8th Street On West Side Of Grand Boulevard



NEIGHBORHOOD BLIGHTING INFLUENCES

Unightly Property With Weeds & Erosion North Of E 8th Street On West Side Of Grand Blvd.



Unsafe & Unightly Sidewalk – West Side Of Grand Boulevard North Of E 8th Street



NEIGHBORHOOD BLIGHTING INFLUENCES

Unsafe & Unsightly Sidewalk – West Side Of Grand Boulevard North Of E 8th Street



Unsafe & Unsightly Sidewalk – West Side Of Grand Boulevard North Of E 8th Street



NEIGHBORHOOD BLIGHTING INFLUENCES

Unsightly Billboard North Side Of E 8th Street & East Of Grand Boulevard



Deteriorating Retaining Wall Along E 8th Street East Of Grand Boulevard



NEIGHBORHOOD BLIGHTING INFLUENCES

Unsightly Vacant Lot At Northeast Corner Of Grand Boulevard & E 8th Street



Unsightly Vacant Lot At Northwest Corner Of McGee Street & E 8th Street



NEIGHBORHOOD BLIGHTING INFLUENCES

Dumping Along North Side Of E 8th Street & East Of Grand Boulevard



Unsightly Vacant Lot On West Side Of McGee Street North Of E 8th Street



NEIGHBORHOOD BLIGHTING INFLUENCES

Deteriorating & Unsafe Retaining Wall Along McGee Street North Of E 8th Street



Unsafe Drop Off Along Retaining Wall On West Side Of McGee Street North Of E 8th Street



NEIGHBORHOOD BLIGHTING INFLUENCES

Homelessness – E 9th Street



Trespassing & Illegal Camping – Study Area Vacated Alleyway



Blight Factors Conclusion

Four of the five blight components/factors described in Section 100.310 (2) RSMo. are present in varying degrees within the study area. The tables below provide review of the blight factor conclusions by address, tax parcel, and use.

| Property Address | Tax Parcel Number | Streets | Unsafe | Deterioration | Plat | Endanger | Predominance |
|---------------------|--------------------------|----------|-----------|---------------|------|-----------|--------------|
| | | #1 | #2 | #3 | #4 | #5 | |
| 818 Grand Boulevard | 29-220-21-06-00-0-00-000 | Moderate | Extensive | Extensive | None | Extensive | Extensive |
| 819 Walnut Street | 29-220-21-04-00-0-00-000 | Moderate | Extensive | Extensive | None | Extensive | Extensive |

Extensive levels of blight are considered to exist at both of the tax parcels comprising the study area. The unsafe pedestrian circulation, insanitary and unsafe conditions, extensive deterioration of site improvements, and widespread endangerment result in a clear predominance of blight at the study area. Numerous blighting influences also exist within the immediate vicinity of the study area.

The improvements at the study area now 113 years in age. The aging improvements and the lack of maintenance and supervision have resulted in excessive physical deterioration, damage (vagrancy and trespassing), functional obsolescence, and safety concerns. External obsolescence exists due to a number of neighborhood blighting factors (vacant and closed structures, crime, graffiti, illegal dumping, deteriorating improvements, lack of supervision). These numerous blighting factors and the lack of off-street parking provision have led to extensive (93.2%) and extended vacancy at the subject improvements within the study area.

All things considered, a clear predominance of blighting influence exists within the study area and examination follows as to whether these blighting factors result in the three blighting conditions defined by the statute.

Blighting Condition #1: Hindrance to Housing Accommodation

The intent of this component of the blight definition appears to deal with the natural process of growth and development of a neighborhood. Blight conditions would retard this natural growth. The study area occupies the highly visible northwest corner of Grand Boulevard and E 9th Street. The Scarritt Building is the first high-rise structure along the Grand Boulevard corridor moving south from the north end of the loop. The Scarritt Building is of prominent size being 11 levels (with 12th floor penthouse) and containing 129,362 square feet above grade. (The basement and sub-basement contain another 23,280 square feet.) No residents live within the study area and very minimal employment is generated.

The relatively weak downtown office market combined with the small floorplates of the subject improvements, lack of off-street parking, and lack of modernization, upkeep, and maintenance have caused the two office uses within the study area to languish in recent years. The Scarritt Building is presently 94.5% vacant (two tenants) and has sustained excessive vacancy for an extended period. The Arcade has only one tenant (dentist) and is 80.7% vacant. As mentioned previously, the adjoining 901 Grand and 906 Grand office towers are 100% and 95% vacant, respectively. The study area and nearby properties (901 Grand, 906 Grand, closed parking garage to the north, unsightly vacant tracts north of E 8th Street) create extensive blighting influence and

are judged hindrances to housing accommodation, growth, vitality and vibrancy of this downtown core neighborhood.

Blighting Condition #2: Economic Or Social Liabilities

Economic Liabilities

Unrealized Assessment

Previously in the report, it was shown the county's appraised valuation of the study area amounted to \$24.86 per square foot in 2018 and a higher \$29.95 per square foot in 2019. The veracity of the 2019 county assessment remains in debate. The adjoining Waltower Lofts (office to residential conversion) are appraised by the county at a higher \$40.93 per square foot. The Courthouse Lofts conversion (PIEA Plan Area) located across Grand Boulevard to the east of the Scarritt Building are appraised at \$16,034,614 or \$44.04 per square foot. A much higher assessment is attainable at the study area. The attractive, but languishing, historical architectural features of the two subject improvements would be appealing features for renovation and conversion to a feasible use.

Unrealized Taxation

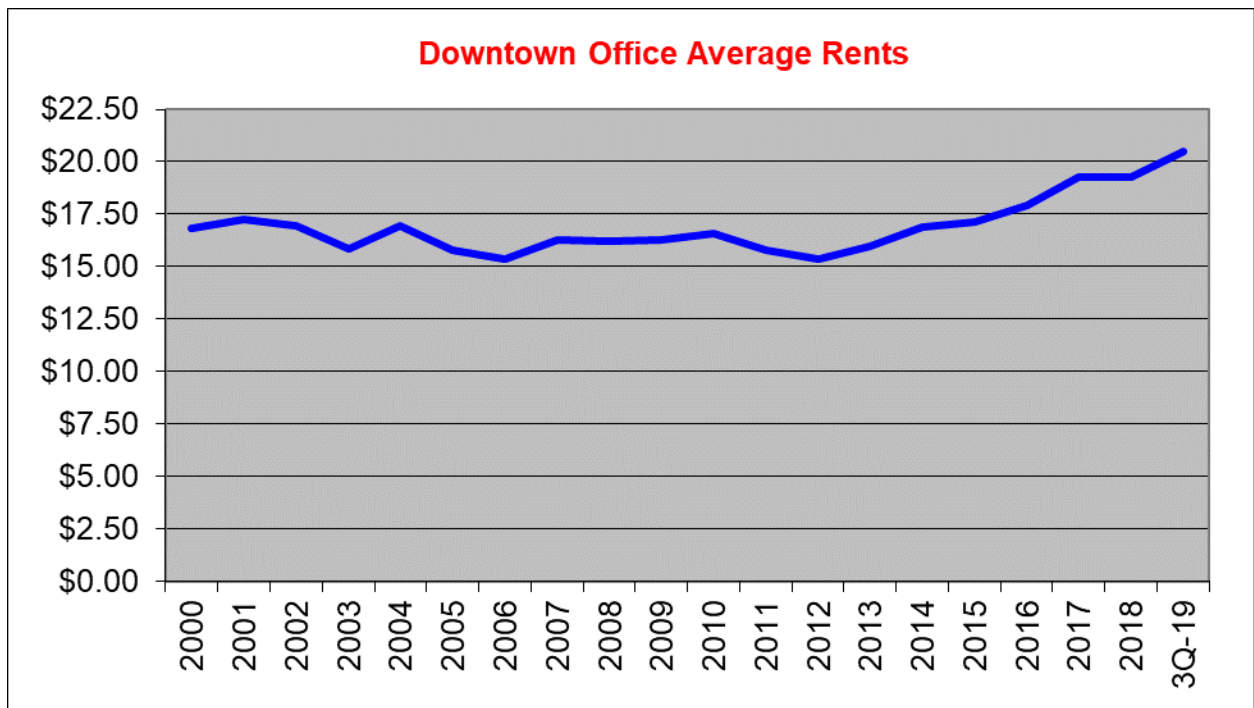
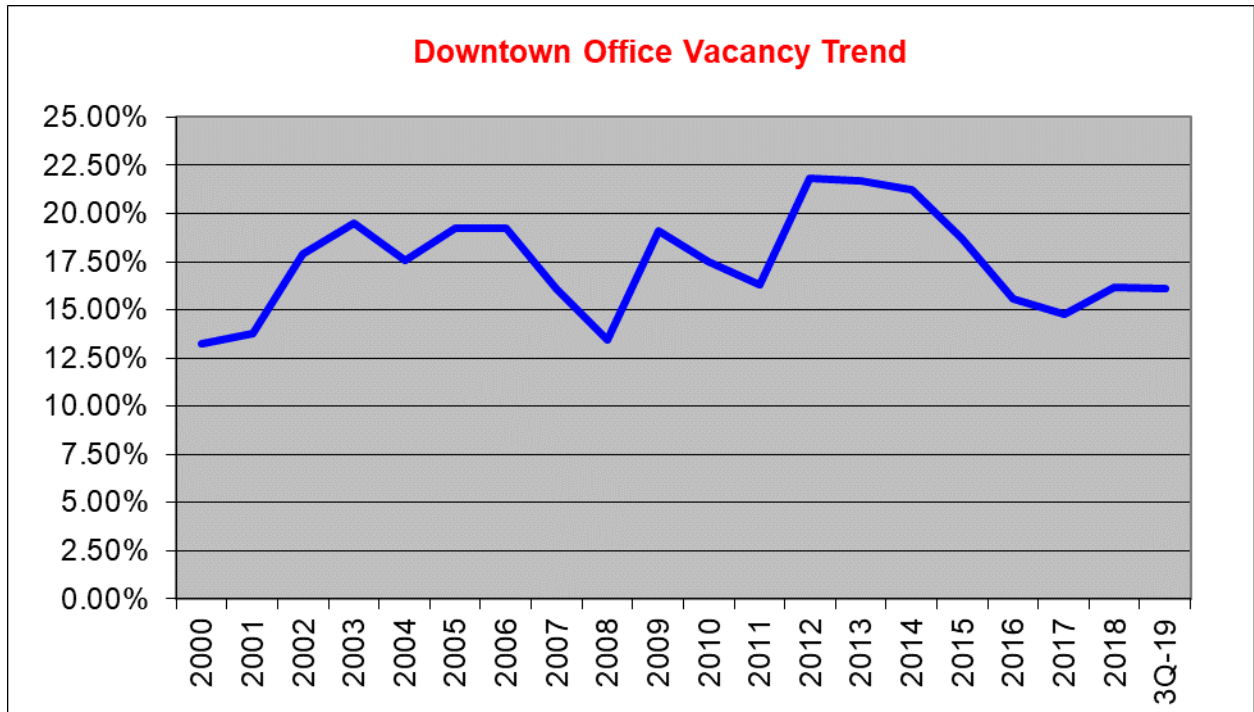
The real estate taxes generated by the study area in 2018 amounted to only \$0.85 per square foot. Both of the tax parcels within the study area have paid real estate taxes in delinquency in two of the past five years. In the present (and continuing) blighted and underused condition, the study area is not generating nearly the levels of real estate, personal property, sales, utility, and employment-tax that should be generated from a prominent urban core location. Therefore, the property is not contributing its appropriate share of taxation to offset municipal, county, state, and federal services.

Economic Underutilization / Excessive & Extended Vacancy

The Missouri Supreme Court has determined that "the concept of urban redevelopment has gone far beyond 'slum clearance' and the concept of economic underutilization is a valid one." Although developed at an urban appropriate FAR of 8.4 : 1, the 116,406 rentable square feet contained in the study area is 93.2% vacant, has experienced extended vacancy, houses no residents, and generates minimal employment opportunities.

The office inventory in the downtown submarket of 18,703,957 at the beginning of 2000 has declined 6,340,158 square feet (34%) to 12,363,799 in 3Q 2019 (per CBRE). Downtown office vacancy of 16.1% in 3Q 2019 is 2.9 percentage points higher than the overall metropolitan area average of 13.2%. The trend in vacancy and average rents in the downtown office submarket are shown in the graphs on the following page.

Per CBRE, Class A office vacancy in 3Q 2019 in the downtown submarket is 16.5% while Class B vacancy is a lower 15.0% and Class C vacancy a higher 19.0%. The Scarritt Building and Arcade would presently be classified as Class C space. Class A office average rents in the downtown (\$22.83) are 25% higher than Class B average rents (\$18.33) and 64% higher than Class C average rents (\$13.90). Class C office vacancy metrowide of 7.6% is 11.4 percentage points lower than the downtown Class C vacancy figure while Class C downtown average office rents are 4% below the metrowide Class C average office rent figure (\$14.53). Clearly, the older and obsolete space typified by Class C office product has difficulty competing with more appealing (Class A and B) properties in the downtown and other Class C properties metrowide.



The last large multitenant office building constructed in the downtown was completed 28 years ago (1201 Walnut containing 480,886 square feet). H&R Block constructed a single-tenant headquarters building in 2007 containing 525,000 square feet and JE Dunn followed with a single-tenant, 204,000-square-foot headquarters in 2009.

The aging, obsolete, deteriorating improvements within the study area that are poorly occupied are clearly economic underutilizations.

Social Liabilities

Multiple issues discussed previously result in social liabilities including:

- Deteriorating and unsafe pedestrian circulation (public sidewalks and curbs, security railings)
- Deteriorating and unsafe site improvements (extensive; within all exterior and interior building components)
- Functionally obsolete due to advancing age (113 years)
- Environmental issues and safety concerns (ACM, LBP, PCBs, mold)
- Safety and sanitary concerns (abandoned FF&E, trash, trespassing, vandalism, illegal camping)
- Vacant, underutilized improvements lacking proper supervision, policing, and maintenance
- Lack of prescribed streetscapes (Kansas City Downtown Streetscape Master Plan)
- Hindrance to housing accommodations
- No housing and minimal employment opportunities
- Negative influences from adjoining and nearby blighting conditions

The study area suffers unrealized assessment, lack of taxation and delinquency, is economically underutilized, and exhibits multiple social liabilities.

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

Here again, the varied and extensive blighting factors and conditions discussed above contribute menace to the public **health** (environmental hazards, abandoned FF&E, trash), **safety** (deterioration of public sidewalks and curbs, security railings, failing structural components), **morals** (trespassing, illegal camping, vandalism), or **welfare** (extensive and extended vacancy and underutilization, unrealized assessment, lack of taxation and delinquent taxes, lack of housing or employment opportunities).

Empty, deteriorating, and obsolete buildings lacking supervision and policing detract from the vibrancy of downtown. Revitalization of this north gateway property on Grand Boulevard and substantial historic structures would revitalize the city block bounded by Grand Boulevard, 9th Street, Walnut Street, and E 8th Street, thereby improving the health, safety, morals, welfare, housing and employment opportunity of the public.

Study Conclusion

Four of the five components of the blight definition contained in Chapters 100 of the Missouri Revised Statutes are present to some extent in the study area. (Obsolete platting or subdivision is the only component not affecting the study area). Deteriorated public sidewalks, curbs, and safety railings hinder safe pedestrian circulation. Safety and insanitary concerns exist from environmental hazards, deterioration or failing site improvements, trespassing, vagrancy, illegal camping, and vandalism. Due to advancing age (113 years), lack of maintenance and updating, and vandalism the structural and site improvements within the study area exhibit extensive deterioration and functional obsolescence. External obsolescence exists in the immediate vicinity of the study area due to excessive and extended vacancy (299,615 of 314,531 rentable square feet) and other blighting influences.

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

- Retarded growth and development of the area as the study area has aging (113 years) office structures suffering from extensive deterioration and obsolescence, lack of off-street parking, and safety and sanitary issues resulting in extended and excessive (93.2%) vacancy. The downtown loop suffered decadal population declines between 1970 and 2000 (39%), but even after increases through 2010, were still 3.2% lower than 1970. The metrowide median household income in 2010 (\$60,442) was 59% higher than within the downtown loop (\$37,969). A number of blighting influences negatively affect the immediate neighborhood from Grand Boulevard to McGee Street and from E 9th Street to E 7th Street.
- Economic liabilities (underutilization from extended and extensive (93.2%) vacancy), unrealized assessment and taxation (including real estate, personal property, sales, e-tax, and utility), and delinquency.
- Social liabilities (deteriorating public sidewalks, curbs, and safety railings, lack of prescribed streetscapes, deteriorating improvements (in some cases failing) that are aging (113 years) and functionally obsolete, crime (trespassing, vagrancy, vandalism, illegal camping), hindrance to housing accommodation, and lack of housing and employment opportunities.
- Menace to the public health (environmental hazards, trash, abandoned FF&E), safety (deterioration of public sidewalks, curbs, and safety railings, failing structures, crime), morals (trespassing, loitering, vandalism, illegal camping), or welfare (extensive (93.2%) and extended vacancy (underutilization), unrealized assessment and lack of taxation, delinquent taxes, lack of housing or employment opportunities).

Numerous blighting factors exist at the study area perhaps the most conspicuous being deteriorating and functional obsolete site improvements and safety concerns leading to several blighting conditions (hindrance to housing accommodations, economic and social liabilities and economic underutilization, and public health, safety, morals, and welfare issues). Considering all factors, the consultant has determined the 9th & Grand PIEA Study Area located at 818 Grand Boulevard and 819 Walnut Street in Kansas City, Missouri, as of November 15, 2019, qualifies as a “blighted area” per the definition provided in Missouri Revised Statutes Section 100.310 (2).

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

Sincerely,
BELKE APPRAISAL & CONSULTING SERVICES, INC.

A handwritten signature in blue ink, appearing to read "Scott J. Belke", is written over a horizontal line.

Scott J. Belke, MAI

President

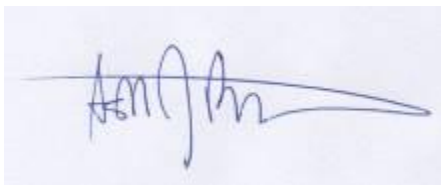
Missouri State Certified General Real Estate Appraiser (Certificate No. RA 001868)

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

CERTIFICATE

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

- 1) The statements of fact contained in this report are true and correct.
- 2) The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, unbiased professional analyses, opinions, and conclusions.
- 3) I have no present or prospective interest in the property that is the subject of this study, and I have no personal interest with respect to the parties involved.
- 4) I have no bias with respect to the property that is the subject of this study or to the parties involved with this assignment.
- 5) My compensation is not contingent on an action or event resulting from the analyses, opinions, or conclusions in, or the use of, this study.
- 6) My analyses, opinions, and conclusions were developed, and this study has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice and with the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute.
- 7) I certify that the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- 8) As of the date of this report, Scott J. Belke, MAI has completed the requirements of the continuing education program of The Appraisal Institute.
- 9) Scott J. Belke, MAI made several personal inspections of the study area that is the subject of this report during October and November 2019. The effective date of this blight study is November 15, 2019.
- 10) No one provided significant professional assistance to the person signing this report.
- 11) I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.



Scott J. Belke, MAI

President

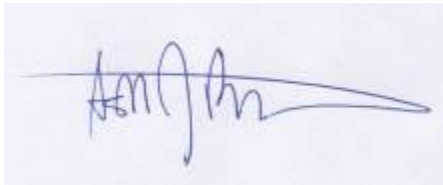
Missouri State Certified General Real Estate Appraiser (Certificate No. RA 001868)

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

GENERAL ASSUMPTIONS & LIMITING CONDITIONS

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

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

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

Scott J. Belke, MAI

ADDENDA

818 GRAND BOULEVARD

11/4/2019

Jackson County, Missouri Property Report



Property Report for 29-220-21-06-00-0-00-000

[Click to View Print-Friendly Version](#)

GENERAL INFORMATION

VALUE INFORMATION

ECONOMIC DEVELOPMENT

ELECTED OFFICIALS

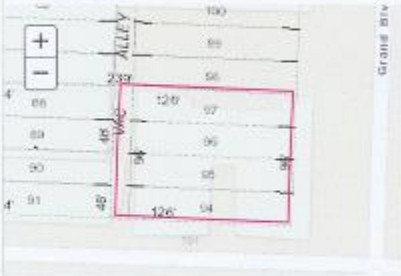
PICTURES

PROPERTY PHOTO



29-220-21-06-00-0-00-000 08/20/2005

STREET MAP



AERIAL PHOTO



| | | |
|-------------------------------------|--|-------------------|
| Parcel ID: | 29-220-21-06-00-0-00-000 | |
| Parcel Address: | 818 GRAND BLVD KANSAS CITY MO 64106 | |
| Owner Information: | AXIS KC LLC 215 ANASTASIA BLVD ST AUGUSTINE FL 32080 | |
| Complex Name: | N/A | |
| Mortgage Holder Information: | N/A | |
| Property Characteristics: | Year Built: | N/A |
| | Approx. Bldg. Area: | N/A sq. ft. |
| | Neighborhood Tax Code: | 9944 |
| | Approx. Area (Sq Ft): | 12,095.10 sq. ft. |
| | Approx. Area (Acres): | 0.28 acres |
| Land Use Type: | 2240 - Office Building > 15000 SF | |
| Tax Code Area: | Code: | 1 |
| | City: | Kansas City |
| | Fire: | |
| | Library: | Kansas City |
| | School: | Kansas City |
| | Water: | |
| Assessment Information: | Tax Year: | 2019 |
| | Land Value: | |
| | Agricultural: | N/A |
| | Commercial: | \$864,000 |
| | Residential: | N/A |
| | Improvements Value: | |
| | Agricultural: | N/A |
| | Commercial: | \$2,799,900 |
| | Residential: | N/A |
| | New Construction Value: | |
| | Agricultural: | N/A |
| | Commercial: | N/A |
| | Residential: | N/A |
| | Total Market Value: | \$3,663,900 |
| | Total Assessed Value: | \$1,172,448 |
| | Total Taxable Value: | \$1,172,448 |
| Exemptions: | No exemptions | |

11/4/2019



Property Account Summary

| | | | |
|---------------|--------------------------|------------------|--|
| Parcel Number | 29-220-21-06-00-0-00-000 | Property Address | 818 GRAND BLVD , KANSAS CITY, MO 64106 |
|---------------|--------------------------|------------------|--|

General Information

| | |
|----------------------|---|
| Property Description | ROSS & SCARUTTS ADD LOTS 94-97 & E 1/2 OF VAC ALLEY LY W OF & ADJ (EX PT IN ST) |
| Property Category | Land and Improvements |
| Status | Active, Not Other Property, Locally Assessed |
| Tax Code Area | 001 |

Property Characteristics

| | |
|----------------|------|
| Property Class | 2010 |
|----------------|------|

Parties

| Role | Percent/Name | Address |
|----------|-----------------|--|
| Taxpayer | 100 AXIS KC LLC | 215 ANASTASIA BLVD, ST AUGUSTINE, FL 32080 |
| Owner | 100 AXIS KC LLC | 215 ANASTASIA BLVD, ST AUGUSTINE, FL 32080 |

Property Values

| Value Type | Tax Year 2019 | Tax Year 2018 | Tax Year 2017 | Tax Year 2016 | Tax Year 2015 |
|----------------------|------------------|------------------|------------------|------------------|------------------|
| Market Value Total | 3,663,900 | 3,186,000 | 3,185,000 | 2,950,000 | 2,950,000 |
| Taxable Value Total | 1,172,448 | 1,019,520 | 1,019,520 | 944,000 | 944,000 |
| Assessed Value Total | 1,172,448 | 1,019,520 | 1,019,520 | 944,000 | 944,000 |

The tax balance calculator is not available.

Distribution of Current Taxes

| District | Amount |
|----------------------------------|---------------|
| BOARD OF DISABLED SERVICES | 726.920000 |
| CITY - KANSAS CITY | 18,712.270000 |
| JACKSON COUNTY | 7,163.650000 |
| KANSAS CITY LIBRARY | 6,617.350000 |
| KANSAS CITY SCHOOL #33 | 58,152.250000 |
| MENTAL HEALTH | 1,181.830000 |
| METRO JUNIOR COLLEGE | 2,400.000000 |
| STATE BLIND PENSION | 351.730000 |
| CID-DOWNTOWN LOOP ASSESSED VALUE | 4,035.290000 |
| CID-DOWNTOWN LOOP SQUARE FOOTAGE | 1,167.180000 |
| TDD-DOWNTOWN STREETCAR | 5,627.750000 |
| REPLACEMENT TAX | 18,848.090000 |

Receipts

| Date | Receipt No. | Amount Applied | Amount Due | Tendered | Change |
|------------------|-------------|----------------|------------|------------|--------|
| 01/15/2019 08:20 | 11285249 | 108,791.28 | 108,791.28 | 108,791.28 | 0.00 |
| 09/07/2018 09:49 | 10941877 | 127,826.71 | 127,826.71 | 127,826.71 | 0.00 |
| 12/21/2016 15:34 | 10010263 | 98,353.68 | 98,353.68 | 98,353.68 | 0.00 |
| 03/18/2016 14:29 | 9651019 | 110,815.51 | 110,815.51 | 110,815.51 | 0.00 |
| 12/16/2014 00:00 | 8869856 | 97,825.04 | 97,825.04 | 97,825.04 | 0.00 |

REMINDER: This application is for research purposes only and cannot be used to pay taxes. To pay your taxes, [Click here](#). Occasionally, the parcel number for a real estate parcel changes, due to a parcel segregation or merge. In such a case, a search of the new parcel number may not reflect tax delinquency or a full tax history concerning that parcel. You may wish to contact us to obtain that information. Or, you may wish to search all relevant parcel numbers of parcels involved in such a segregation or merge. [Click here](#) to begin a search on this website to see if a parcel was involved in a segregation or merge occurring within the past five years and to see a list of parent parcel(s) and child parcel(s) involved. NOTE: Information concerning a segregation or merge occurring more than five years prior to the search is not available on this website.

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819 WALNUT STREET

11/4/2019

Jackson County, Missouri Property Report



GENERAL INFORMATION

VALUE INFORMATION

ECONOMIC DEVELOPMENT

ELECTED OFFICIALS

PICTURES

Property Report for 29-220-21-04-00-0-00-000

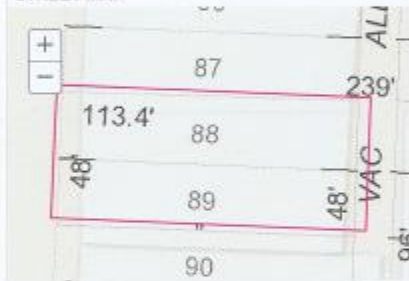
[Click to View Print-Friendly Version](#)

PROPERTY PHOTO



29-220-21-04-00-0-00-000 08/20/2005

STREET MAP



AERIAL PHOTO



Parcel ID: 29-220-21-04-00-0-00-000

Parcel Address: 819 WALNUT ST
KANSAS CITY
MO 64106Owner Information: AXIS KC LLC
215 ANASTASIA BLVD
ST AUGUSTINE FL 32080

Complex Name: N/A

Mortgage Holder Information: N/A

| | | |
|---------------------------|------------------------|------------------|
| Property Characteristics: | Year Built: | N/A |
| | Approx. Bldg. Area: | N/A sq. ft. |
| | Neighborhood Tax Code: | 9944 |
| | Approx. Area (Sq Ft): | 5,427.45 sq. ft. |
| | Approx. Area (Acres): | 0.12 acres |

Land Use Type: 2240 - Office Building > 15000 SF

| | | |
|----------------|----------|-------------|
| Tax Code Area: | Code: | 1 |
| | City: | Kansas City |
| | Fire: | |
| | Library: | Kansas City |
| | School: | Kansas City |
| | Water: | |

| | | |
|-------------------------|-------------------------|-----------|
| Assessment Information: | Tax Year: | 2019 |
| | Land Value: | |
| | Agricultural: | N/A |
| | Commercial: | \$388,800 |
| | Residential: | N/A |
| | Improvements Value: | |
| | Agricultural: | N/A |
| | Commercial: | \$443,000 |
| | Residential: | N/A |
| | New Construction Value: | |
| | Agricultural: | N/A |
| | Commercial: | N/A |
| | Residential: | N/A |
| | Total Market Value: | \$831,800 |
| | Total Assessed Value: | \$266,176 |
| | Total Taxable Value: | \$266,176 |

Exemptions: No exemptions

11/4/2019



Property Account Summary

| | | | |
|---------------|--------------------------|------------------|---------------------------------------|
| Parcel Number | 29-220-21-04-00-0-00-000 | Property Address | 810 WALNUT ST., KANSAS CITY, MO 64106 |
|---------------|--------------------------|------------------|---------------------------------------|

General Information

| | |
|----------------------|--|
| Property Description | ROSS & SCARITTS ADD LOTS 88 & 89 & W 1/2 VAC ALLEY LY E OF & ADJ |
| Property Category | Land and Improvements |
| Status | Active, Host Other Property, Locally Assessed |
| Tax Code Area | 001 |

Property Characteristics

| | |
|----------------|------|
| Property Class | 2010 |
|----------------|------|

Parties

| Role | Percent/Name | Address |
|----------|-----------------|--|
| Taxpayer | 100 AXIS KC LLC | 215 ANASTASIA BLVD, ST AUGUSTINE, FL 32080 |
| Owner | 100 AXIS KC LLC | 215 ANASTASIA BLVD, ST AUGUSTINE, FL 32080 |

Property Values

| Value Type | Tax Year 2010 | Tax Year 2018 | Tax Year 2017 | Tax Year 2016 | Tax Year 2015 |
|----------------------|---------------|---------------|---------------|---------------|---------------|
| Market Value Total | 831,800 | 845,400 | 845,400 | 805,000 | 805,000 |
| Taxable Value Total | 266,176 | 174,528 | 174,528 | 161,600 | 161,600 |
| Assessed Value Total | 266,176 | 174,528 | 174,528 | 161,600 | 161,600 |

The tax balance calculator is not available.

Distribution of Current Taxes

| District | Amount |
|----------------------------------|---------------|
| BOARD OF DISABLED SERVICES | 165.030000 |
| CITY - KANSAS CITY | 4,248.170000 |
| JACKSON COUNTY | 1,628.340000 |
| KANSAS CITY LIBRARY | 1,502.300000 |
| KANSAS CITY SCHOOL #33 | 13,202.060000 |
| MENTAL HEALTH | 268.310000 |
| METRO JUNIOR COLLEGE | 544.850000 |
| STATE BLIND PENSION | 79.850000 |
| CID-DOWNTOWN LOOP ASSESSED VALUE | 914.980000 |
| CID-DOWNTOWN LOOP SQUARE FOOTAGE | 523.750000 |
| TDO-DOWNTOWN STREETCAR | 1,277.640000 |
| REPLACEMENT TAX | 3,824.950000 |

Receipts

| Date | Receipt No. | Amount Applied | Amount Due | Tendered | Change |
|------------------|-------------|----------------|------------|-----------|--------|
| 01/15/2019 08:20 | 11285250 | 18,947.53 | 18,947.53 | 18,947.53 | 0.00 |
| 09/07/2018 09:46 | 10841874 | 22,253.10 | 22,253.10 | 22,253.10 | 0.00 |
| 12/21/2016 15:35 | 10010271 | 17,143.42 | 17,143.42 | 17,143.42 | 0.00 |
| 03/18/2016 14:28 | 9651015 | 19,316.16 | 19,316.16 | 19,316.16 | 0.00 |
| 12/16/2014 00:00 | 8869928 | 17,052.92 | 17,052.92 | 17,052.92 | 0.00 |

REMINDER: This application is for research purposes only and cannot be used to pay taxes. To pay your taxes, [Click here](#). Occasionally, the parcel number for a real estate parcel changes, due to a parcel segregation or merge. In such a case, a search of the new parcel number may not reflect tax delinquency or a full tax history concerning that parcel. You may wish to contact us to obtain that information. Or, you may wish to search all relevant parcel numbers of parcels involved in such a segregation or merge. [Click here](#) to begin a search on this website to see if a parcel was involved in a segregation or merge occurring within the past five years and to see a list of parent parcel(s) and child parcel(s) involved. **NOTE:** Information concerning a segregation or merge occurring more than five years prior to the search is not available on this website.

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QUALIFICATIONS OF SCOTT J. BELKE, MAI

Education

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

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

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

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

The Appraisal Institute

Designation

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

Continuing Education

Analyzing Commercial Lease Clauses

Analyzing Operating Expenses

Appraisal Institute–Business Practices & Ethics

Appraisal Consulting

Appraising Distressed Real Estate

Appraising From Blueprints and Specifications

Appraising The Appraisal (Appraisal Review)

Case Studies in Commercial HBU

Comprehensive Examination Workshop

Cost Approach to Commercial Appraising

Effective Appraisal Writing

Eminent Domain & Condemnation Appraising

Evaluating Commercial Construction

Feasibility Analyst & Highest And Best Use

Gramm-Leach-Bliley Act

HP12C Financial Calculator

Income Property Demonstration Appraisal

Industrial Valuation

Internet Search Strategies

Litigation Valuation

Mark to Market Seminar

Market Analysis and the STDB

Mortgage Fraud Awareness

Rates, Ratios and Reasonableness

Retail Valuation

Scope of Work

Small Hotel/Motel Valuation

Solving Land Valuation Puzzles

Standards of Professional Practice, Part A

Standards of Professional Practice, Part B

Standards of Professional Practice, Part C

Supporting Capitalization Rates

The High-Tech Appraisal Office

The Internet and Appraising

The Road Less Traveled: Special Purpose Properties

USPAP Update

Understanding and Using DCF Software

Understanding and Using Investor Surveys Effectively

Valuation of Detrimental Conditions in Real Estate

Employment

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

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

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

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

Affiliations

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

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

Professional

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

including Exam Proctor, Committee Chair Admissions-General, Director, Treasurer, Secretary,

Vice President, and President (2007), Peer Review Committee (Grievance & Ethics).

REDEVELOPMENT CONSULTING PROJECTS

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

Kansas City, MO

Ward Parkway & Roanoke TIF (Ch. 99); Feb-95
Ward Parkway & Roanoke Conservation District (Ch. 99); Feb-96
Traders On Grand Blight Study (Ch. 353); Jul-97
63rd & Troost TIF Blight Study (Ch. 99); Aug-97
2028 Baltimore Blight Study (Ch. 353); Mar-98
Bannister & Holmes Mine Blight Study (Ch. 353); Sep-98
Mark Twain Building Blight Study (Ch. 353); Feb-99
Nettleton Home Blight Study (Ch. 353); Sep-99
Commerce Trust Building Blight Study (Ch. 353); Sep-99
Critical Link Blight Study (Ch. 353); Mar-00
18th & Vine Blight Study (Ch. 353); Apr-00
Briarcliff West TIF North Expansion (Ch. 99); Aug-00
1528 Walnut Blight Study (Ch. 353); Jun-01
Blue Ridge Mall Blight Study (Ch. 353); May-02
Crossroads Blight Study/General Development Plan (PIEA, Ch. 100); Aug-02
Ellison/Knickerbocker Blight Study/GDP (PIEA, Ch. 100); Feb-03
Folger Coffee Blight Study/GDP (PIEA, Ch. 100); Jul-03
Stuart Hall/HD Lee Blight Study (PIEA, Ch. 100); Nov-03
Santa Fe TIF Expansion Area Blight Study (Ch. 99); Nov-03
Briarcliff West TIF South Expansion (Ch. 99); Jan-04
Manchester Business Center Blight Study/GDP (PIEA, Ch. 100); Mar-04
Southwest Boulevard PIEA Blight Study/GDP (PIEA, Ch. 100); Mar-04
Blue Ridge Mall TIF Expansion (Ch. 99); Jun-04
87th Street & Hillcrest Road TIF Plan (Ch. 99); Dec-04
Stuart Hall/HD Lee Blight Study (PIEA, Ch. 100); Feb-05
Armour/Gillham Blight Study/GDP (PIEA, Ch. 100); Apr-05
Truman Road Business Park Blight Study/GDP (PIEA, Ch. 100); Jun-05
39th & Main Blight Study/GDP (PIEA, Ch. 100); Sep-05
Guinotte PIEA Blight Study/GDP (PIEA, Ch. 100); Oct-05
Downtown Loop PIEA Blight Study/GDP (PIEA, Ch. 100); Oct-05
Northeast Bottoms PIEA Blight Study/GDP (PIEA, Ch. 100); Jun-06
Rivergate Business Center But For/Economic Impact (Ch. 353); Jul-06
Old Federal Courthouse PIEA Blight Study/GDP (PIEA, Ch. 100); Aug-06
Promenade TIF Conservation Area Analysis (Ch. 353); Sep-06
Rivergate Business Center (But For/Economic Impact); Oct-06
Trinity Hospital PIEA Blight Study/GDP (PIEA, Ch. 100); Kansas City, MO (Jul-07)
Hillside Materials TIF Blight Study (Ch. 353); Kansas City, MO (Sep-07)
PIEA Consultant on Economic Development & Incentive Policy, Economic Modeling, Cost
Benefit Analysis, and But For Analysis; Kansas City, MO (Nov-Dec 2007)
NNSA/Honeywell PIEA Blight Study/GDP (PIEA, Ch. 100), Tax Impact Analysis,
But For Analysis; Kansas City, MO (May-08)
Economic Development Incentive & Policy Workshops; Nov-08, Nov-09
1220 Washington Property Value Maximization Scenario Consultations; Apr-12
9th & Central TIF Blight Study (Ch. 99); Aug-13

Wornall-Bannister EDC Blight Study (Chs. 99, 100, and 353); Sep-13
Hillside Materials TIF Expansion (Ch. 353); Nov-13
Bannister & Wornall TIF Blight Study (Ch. 99); Mar-14
KC Power & Light TIF Blight Study (Chs. 99 and 100); Apr-14
14th & Baltimore PIEA Blight Study/GDP (Ch. 100); May-14
First Amendment Bannister & I-435 TIF Plan Blight Study (Ch. 99); Jul-14
20th & Main TIF Blight Study (Ch. 99); Aug-14
Grand Reserve TIF Plan Conservation Area (Ch. 99); Dec-14
Mark Twain KC Chapter 353 Advisory Board Blight Study (Ch. 353); Feb-15
Metro North Crossing TIF Blight Study (Ch. 99); May-15
Red Bridge Shopping Center PIEA Blight Study (Ch. 100); Jun-15
Hospital Hill North URA Expansion LCRA Blight Study (Ch. 99); Aug-15
Linwood & Cleveland URA Blight Study (Ch. 99); Sep-15
7th & Main PIEA Blight Study/GDP (Ch. 100); Jun-16
AirWorld PIEA Blight Study/GDP (Ch. 100); Aug-16
20th & Main PIEA Blight Study/GDP (Ch. 100); Nov-16
Gillham Plaza PIEA Blight Study/GDP (Ch. 100); Dec-16
Paseo Gateway PIEA Blight Study/GDP (Ch. 100); Feb-17
St. James United Methodist Church Campus Blight Study (Ch. 353); Apr-17
Antioch TIF Conservation Area Analysis (Ch. 99); May-17
27th & Troost PIEA Blight Study/GDP (Ch. 100); Aug-17
27th & Madison PIEA Blight Study/GDP (Ch. 100); Oct-17
Midtown Crossing PIEA Blight Study/GDP (Ch. 100); Nov-17
18th & Oak Street PIEA Blight Study/GDP (Ch. 100); Apr-18
Tyson Summit LCRA Blight Study (Ch. 353); Jun-18
36th & Broadway PIEA Blight Study/GDP (Ch. 100); Aug-18
20th & Walnut PIEA Blight Study/GDP (Ch. 100); Dec-18
45th & Troost PIEA Blight Study/GDP (Ch. 100); Apr-19
Eastside Village PIEA Blight Study/GDP (Ch. 100); Jun-19
Freighthouse District PIEA Undeveloped Industrial Area/GDP (Ch. 100); Oct-19

Independence, MO

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

Blue Springs, MO

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

North Kansas City, MO

Harbor Town Blight Study (Ch. 353); Mar-95
Handy Stop Blight Study (Ch. 353), Aug-04
1815 Burlington Avenue (Ch. 353), Jun-06

Sugar Creek, MO

Carefree Mine TIF Blight Study (Ch. 99); May-01
Carefree Mine Expansion Blight Study (Ch. 353); Jan-03

Parkville, MO

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

Westwood, KS

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

COMPANY PROFILE

Over the past 34 years Scott J. Belke, MAI has valued or consulted on over 2,000 properties in the Kansas City metropolitan area and 14 surrounding states. The first 17 years of Scott's valuation experience were at Rule & Company, Inc., where Scott became a principal. Belke Appraisal & Consulting Services, Inc. can provide you with a variety of commercial real estate analyses including market value and value in use determinations, blight analysis, general development plans, tax appeal, litigation support, market analysis, and highest and best use analysis. Scott's broad-based background includes the following:

Traditional Uses:

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

Special Uses:

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

Consulting:

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

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

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

Scott is a 34-year resident of the Northland and while specializing in Platte and Clay Counties covers the entire metropolitan area.

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

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

The following summarizes Scott's educational background:

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

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

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

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

Current certifications:

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

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

Professional service:

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

Exam Proctor

Committee Chair Admissions-General

Director

Treasurer

Secretary

Vice President

President (2007)

Peer Review Committee (Grievance & Ethics)

