# **Blight Analysis:**

2700-06 Troost Avenue Kansas City, Missouri

# **Prepared for:**

City of Kansas City, Missouri Neighborhoods & Housing Services Department 414 E. 12<sup>th</sup> Street, Suite 402 Kansas City, MO 64106

# **Prepared By:**

Development Initiatives 140 Walnut Street, Suite 203 Kansas City, Missouri 64106

# **Report Date:**

May 11, 2015

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May 11, 2015

City of Kansas City, Missouri Neighborhoods and Housing Services Department 414 E. 12<sup>th</sup> Street, Suite 402 Kansas City, MO 64106

Subject: Blight Study: 2700-06 Troost Avenue, Kansas City, Missouri

Dear Sir/Madam:

We are pleased to transmit the attached Blight Study Report that has been prepared for the above referenced property. The purpose of this Report is to determine whether the subject property is blighted, as defined by the following sections of the Revised Statutes of Missouri:

- Section 99.805 (1), and
- Section 353.020 (2).

This analysis represents an accumulation of our findings based on research and investigations performed as of the report's effective date, May 11, 2015. The attached report sets forth the data, research, investigations, analyses, and conclusions for this report. Please note that no interior inspection or evaluations were available for this report.

The subject Development Area is composed of one (1) parcel of land containing approximately zero point three four (0.34) acres. Presently, the Development Area is comprised of the vacant Alana Apartment Hotel; constructed in 1928.

For the purposes of this analysis we have referred to the subject project and property as either the "Redevelopment Area" or the "Area". Both terms refer to the subject property and Redevelopment Area.

As determined in the following analysis, it is our opinion that the subject property represents a "blighted area" as defined by Sections 99.805 (1) and 353.020 (2) of the Revised Statutes of Missouri. We have reached this opinion concluded these facts based on the current condition of the Development Area, general access and visibility of the area, existing conditions of improvements located within the Development Area, the current condition of the building infrastructure in the area, and the potential redevelopment opportunities existing for the area.

As it presently exists, the Development Area, taken as a whole, meets the statutory definition of a "blighted area". Therefore, it is our opinion that the Redevelopment Area represents a "blighted area" defined by the definitions in 99.805 (1) and 353.020 (2) of the Revised Statues of Missouri. Please feel free to contact us if you have any questions or comments.

Sincerely,

James Potter, AICP, LEED GA

**Development Initiatives** 

# Section I: Introduction

The purpose of this analysis is to investigate and determine whether blighting conditions exist at the subject property according to Sections 99.805 (1) and 353.020 (2) of the Revised Statutes of Missouri (RSMo.).

## **Effective Date of Report**

The effective date of this blight study is May 11, 2015. Unless otherwise stated, all factors pertinent to a determination of blight were considered as of that date.

# Methodology

Development Initiatives was retained and has analyzed the Redevelopment Area to determine if such area contains factors that support a finding that the Development Area is blighted under RSMo Section 353.020 (1) and RSMo Section 99.805 (1). Each statute contains differing blight definitions and we reviewed the Redevelopment Area with regard to each definition. This Blight Study includes a detailed field survey of site and building improvements. Field surveys were conducted to document the existing physical conditions. No interior inspections of the subject property we undertaken.

Our analysis also includes data research, local stakeholder interviews and internal research. Data for this analysis was also gathered from the City of Kansas City, Missouri and Jackson County, Missouri. Pertinent Geographic Information Systems (GIS) data was obtained through the City of Kansas City and the Jackson County Assessor's Office. This analysis is used to make a determination as to a finding of blight under the respective definitions for the Development Area.

#### The following definition relates to Chapter 353 Analysis:

RSMo Section 353.020 (2) provides that "blighted area" means:

"Blighted area", that portion of the city within which the legislative authority of such city determines that by reason of age, obsolescence, inadequate or outmoded design or physical deterioration have become economic and social liabilities, and that such conditions are conducive to ill health, transmission of disease, crime or inability to pay reasonable taxes;

The 353 Analysis is a three part test. For the first part of the test, this analysis requires a finding that the Development Area, as a whole, is occasioned by <u>any</u> of the following factors:

Factor 1: Age,

Factor 2: Obsolescence,

Factor 3: Inadequate or Outmoded design, or

Factor 4: Physical Deterioration.

Secondly, <u>one or more</u> of the above four factors have caused the Redevelopment Area to become economic and social liabilities.

Thirdly, <u>one or more</u> factor (1 through 4 above), are conducive to ill health, transmission of disease, crime, or inability to pay reasonable taxes

# The following definition relates to the Chapter 99 (Real Property Tax Increment Allocation Redevelopment) Analysis:

RSMo Section 99.805 (1) provides that "blighted area" means:

"Blighted Area," an area which, by reason of the predominance of defective or inadequate street layout, unsanitary 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;

This is a two part test, and analysis requires a finding that the District is occasioned by <u>any</u> of the following factors:

Factor 1: Defective or inadequate street layout,

Factor 2: Unsanitary or unsafe conditions,

Factor 3: Deterioration of site improvements,

Factor 4: Improper subdivision or obsolete platting,

Factor 5: The existence of conditions which endanger life or property by

fire and other causes.

The second part of the "two part test", requires that the <u>above factors or combination of the above factors</u> within the District:

- Retards the provision of housing accommodations,
- Constitute an economic or social liability,
- Constitute a menace to the public health, safety, morals or welfare in its present condition and use.

## **Contributing Legal Findings**

There have been numerous court cases which provide additional direction in the consideration of blight. The following are several cases which have impacted the definition of "blight".

"Blight need not exist on every single parcel. State ex rel. U.S. Steel v. Koehr, 811 S.W.2d 385 (Mo. banc 1991); State ex rel. Atkinson v. Planned Indus. Expansion Auth. of St. Louis, 517 S.W.2d 36, 47-48 (Mo. banc 1975); Schweig v. City of St. Louis, 569 S.W.2d 215 (Mo. App. 1978). In Parking Systems, Inc. v. Kansas City Downtown Redevelopment Corp., 518 S.W.2d 11 (Mo. 1974), the Supreme Court approved a declaration of blight on ground that was 49% vacant, 4% parking, and where 82% of the improved portion was not deteriorated. A blighted area may include parcels not blighted if inclusion is necessary to assemble a tract of sufficient size to attract developers. Tierney v. Planned Indus. Expansion Authority of Kansas City, 742 S.W.2d 146 (Mo. banc 1978). Existing area may be expanded to include non-blighted parcels. Id. Streets and parking lots may contribute to blight. Id.; see also Schweig, supra; State ex rel. U.S. Steel v. Koehr, 811 S.W.2d 385 (Mo. banc 1991).

Allright Properties, Inc. v. Tax Increment Financing Commission of Kansas City, 240 S.W.3d 777 (Mo.App. W.D. 2007) held that while the condemning authority is required to "consider" individually each parcel, it is not obligated to find each parcel to be blighted, and that "preponderance" means that the total square footage of blighted property is greater than the square footage of the area not blighted. The court also held that the statute does not prevent the condemning authority from using a blight study that is older than five years, but is prohibited from commencing a condemnation action later than five years from the date of the ordinance finding blight."<sup>1</sup>

Great Rivers Alliance v. City of St. Peters (384 S.W. 3d 179, 295 (Mo. Ct. App. 2012). Further defined the meaning of "blight" as "a condition or influence that lowers the value of real estate," and "blighted" as "affected by blight...esp. of real estate: marked by termination of healthy growth and development accompanied by deterioration and decline of property values". Webster's Third New Int'l Dictionary Unabridged 233 (1993). From these definitions, the indicium of blight is a decline in the value of real estate. Thus, in an area where property values have deteriorated and declined, the Constitution permits municipalities to encourage growth and development through tax relief and through activities that will arrest the decline in property value and stimulate its increase.

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<sup>&</sup>lt;sup>1</sup> See Missouri Economic Development Law; White, Michael.



# **Section II: Property Data**

# **Area Description**

The project is located in Kansas City, Missouri. Kansas City is the county seat of Jackson County, Missouri. The subject property is located within the Longfellow Community Association neighborhood. Regional access is via Bruce R. Watkins Drive/US Highway 71 located to the east. Local access is via E. 27<sup>th</sup> Street and Troost Avenue.

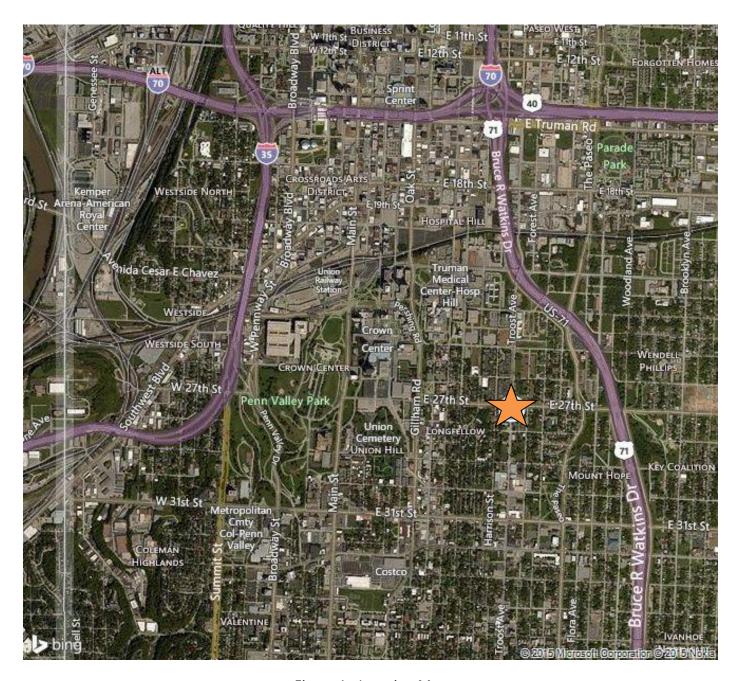


Figure 1 - Location Map

## **Site Description**

The Redevelopment Area is located at the southwest corner of the intersection of Troost Avenue and East 27<sup>th</sup> Street, Kansas City, Jackson County, Missouri. The site is approximately two miles south of Kansas City's Central Business District. Substantial demolition has occurred in recent years along Troost Avenue and there are many gaps in streetscape exist. Twenty-Seventh Street is more residential in character and more recent infill development has occurred north of 27<sup>th</sup> Street on both sides of Troost.

The Redevelopment Area contains (1) property parcel. The parcel is recognized by Jackson County Parcel Number: 29-810-01-25-00-0-000. The subject property is a two-story Tudor Revival Designed residential hotel (the Alana Apartment Hotel) constructed in 1928. The property is listed on the National Register of Historic Places. An aerial view of the Redevelopment Area and surrounding properties are shown the map image below.

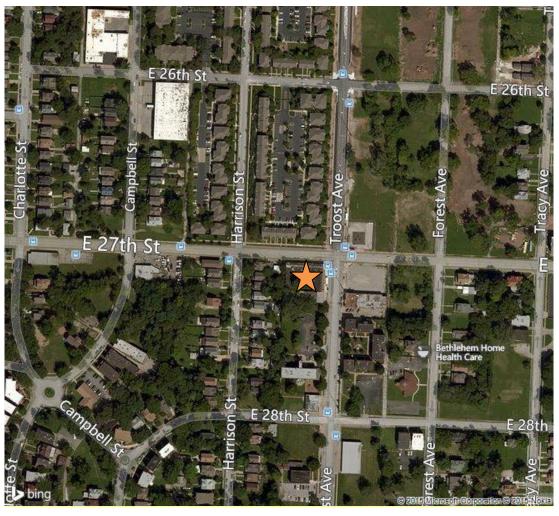


Figure 2 - Site Aerial (Courtesy Bing Maps)

# Ownership

There is currently one (1) property parcel within the Development Area. Ownership of the area is currently vested in one (1) ownership entity, Houses Hearts and Hands, Inc.. Ownership information can also be found in Exhibit A.

Table 1 - Ownership Table.

Parcel	Parcel ID No.	Address	Size	Owner			
			(acres)				
1	29-810-01-25-00-0-00-000	2702 Troost Ave.	0.34	Houses Hearts & Hands, Inc.			
				11307 Peery			
				Independence, MO 64109			
Source: Ja	Source: Jackson County Assessors Department						



29-810-01-25-00-0-00-000 05/19/2005

Figure 3 – Source Jackson County Assessor's Office. 2005 property assessment photo.

#### **Assessed Valuation**

The following data was obtained from the Jackson County Assessor's Office and shows the Assessor's calculation of the assessed value for the property parcel within the Redevelopment Area. Market value and assessed value property information was obtained from the Jackson County, Missouri Assessors Department. Generally, all property is anticipated to be re-assessed in odd-numbered years, except new construction (including remodeling) which can be assessed in any year.

The current assessed valuation of the parcel was done in 2014 by the Jackson County Assessor's Office, and shows a market value of \$21,105 and an assessed value of \$6,754. The table below shows the market value of the subject property decreased after 2010.

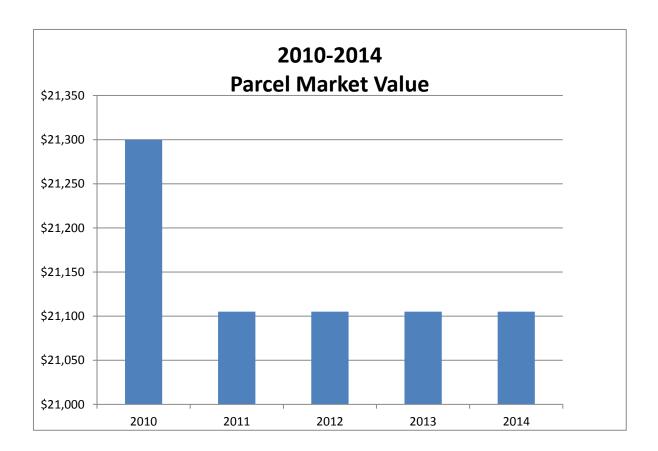


Table 2 – 2700 Troost: Parcel Market Value

# **Topography**

Topography for the Redevelopment Area slopes from east to west within the boundary of the Site Area. The highest point (963' above sea level) is located in the north eastern part of the Site. The total difference in elevation between the lowest and highest points within the boundary of the Site Area is approximately four (4) feet.



Figure 4 – Topography Map (Site outlined in yellow).

# **Zoning**

The existing zoning classification for all parcels within Redevelopment Project Area includes:

This District is intended for uses that provide common business services, shopping centers and specialty shigh visibility, generate high traffic volumes or cate	
(Urban Redevelopment District)  District)  The District is also intended for on-site production conjunction with retail sales. No un-screened outside is permitted, except where indicated. Commercial District are generally required to conduct business need for community-wide accessibility dictates the along or at the intersection of two or more arterial streets. (Ord. 3414)	to the traveling public. of hand crafted items in display of merchandise uses permitted in this activities indoors. The this district be located

Table 3 - Zoning Classification Table



Figure 5 - Zoning Map (Site outlined in yellow).

## **Utilities**

All utilities are available to the area and the Development Area include water, sewers, natural gas, steam, and electricity.

Electricity: Kansas City Power & Light

Natural Gas: Missouri Gas Energy (MGE)

Domestic Water: Kansas City Water Services

Sewer: City of Kansas City, Missouri

Solid Waste: Various
Telephone: Various
Cable: Various

#### **Environmental and Flood Zone Information**

The Federal Emergency Management Agency (FEMA) was contacted to identify any Flood Zones which may impact the proposed project. According to Map #: 2901730090B dated August 5, 1986, the subject property is not located within any flood zone.



## **Environmental**

No environmental surveys or assessments were done as part of this analysis. Because of this, the consultant is unaware of any specific environmental contamination within the proposed Redevelopment Area. However, due to the age of improvements within the Redevelopment Area it can be assumed that some environmentally hazardous materials may have been utilized in the construction of structures within the Redevelopment Area. These include; asbestos containing materials (ACM's), lead based paint, heating oil tanks and polychlorinated biphenyls (PCBs). The presence of such materials has been well documented to be hazardous to property and individuals.

We would strongly recommend that an environmental assessment be completed prior to the commencement of any redevelopment activities.

# **Section III**

# **Determination of Conditions – 353 Statutory Guidelines and Findings**

As previously presented, the 353 Analysis is a three part test. For the first part of the test, this analysis requires a finding that the Redevelopment Area, as a whole, is occasioned by any of the following factors:

Factor 1: Age,

Factor 2: Obsolescence,

Factor 3: Inadequate or Outmoded design, or

Factor 4: Physical Deterioration.

Secondly, one or more of the above four factors have caused the Redevelopment Area to become economic and social liabilities. Thirdly, one or more factor (1 through 4 above), are conducive to ill health, transmission of disease, crime, or inability to pay reasonable taxes

Upon inspection and analysis of the proposed Redevelopment Area, there are a number of existing conditions in the area that support the statutory definition of blight. These conditions meet all four factors, are shown to cause both economic and social liability and satisfy three of the four listed outcomes. Table 2 below summarizes these findings of the 353 analysis:

Factors	Present	Has become economic and social liability	conducive to ill health	transmission of disease	crime	inability to pay reasonable taxes
Age	YES	Х				X
Obsolescence	YES	Х				X
Inadequate or outmoded design	YES	х	х		х	х
Physical deterioration	YES	х	Х		х	х

Table 4 -Summary of 353 Findings

The final step in assessing the existing conditions of the Redevelopment Area is to determine if the all three parts of the test are met, by examining the factors listed above.

# Factor 1: Age

As previously mentioned, the Redevelopment Area is comprised of one property parcel, and that parcel contains one improvement, the Alana Apartment Hotel. The Alana Apartment Hotel was constructed in 1928, which makes the original improvements approximately 87 years of age. The facility was placed on the National Register of Historic Places in 2006. Constructed by local businessman Jacob Steinzeig, the Alana Apartment Hotel is an excellent example of a mixed-use corner neighborhood store. This type of property was constructed in Kansas City's growing neighborhoods during the early 20th century to provide residential opportunities and commercial services to local residents. Designed in the Tudor Revival style by architect Charles M. Williams, the Alana Apartment Hotel illustrates the adaptation of popular residential designs to commercial structures in an effort to blend with surrounding neighborhood development. In March 1927, Steinzeig received a building permit for the construction of a 100-foot by 141 foot two-story brick building with a tile roof. By 1928, construction of the building was complete and a variety of businesses occupied the Troost Avenue storefronts of the Alana Apartment Hotel. Beginning at the corner of 27<sup>th</sup> & Troost and moving south, patrons could visit the Silverforb Pharmacy, the Piggly Wiggly grocery store, a dry cleaners, a bakery, a beauty shop and a restaurant.3



Historical 1940 Tax Assessor Photograph looking southwest.

Photograph Courtesy of Kansas City Public Library.

<sup>&</sup>lt;sup>2</sup> Missouri Department of Natural Resources, 2006.

<sup>&</sup>lt;sup>3</sup> US Department of the Interior, National Park Service. National Register of Historic Places.

While the commercial storefronts were fully occupied in 1928, the city directory does not list the residential Alana Apartment Hotel unit 1929, the residents do not appear in the listings unit the following year. Tenants were primarily single men and women employed in a variety of occupations, including a nurse, clerk, garment worker, sales person, baker, janitor, and garage operator. Retirees and widows were also the residents of the Alana Apartment Hotel. The mix of tenants remained fairly consistent until 1970 when retirees accounted for the majority of residents. By 1990, the apartments were no longer occupied.<sup>3</sup>

The vast majority of improvements to the Redevelopment Area exhibit the original construction to the facility. However, it is expected that some alterations have occurred as the structure is an 87 year old facility. Many building components appear to be original to the site, though as tenants within the structure were replaced, new tenant improvements are anticipated to have been made.

The structure appears to currently be vacant, and inquiries to the City of Kansas City Water Services Department indicate that the property last had water service in July of 2011. Obviously, water service is an essential aspect to the habitation of a structure. The reason for the stoppage of water service is presently unknown.

As structures within the Redevelopment Area continue to age, various building systems will gradually deteriorate, without an ongoing building maintenance program and regular repair. This is especially typical in a facility which is vacant.

Deteriorating building components potentially lead to functional and economic obsolescence of the structure and immediate surrounding area. Potential vacancy as the result of such conditions could occur and this combined with the lack of regular maintenance contribute to the functional deficiencies and obsolescence of structures.

Typically neighborhood shopping centers generally need to be physically updated every five to ten years because of intense competition and the fickleness of American consumers, who demand the most up-to-date retail formats, tenant mix and physical environment.

Inquiries regarding current operations and maintenance program and any capital reserve/replacement program were made, but were not provided by the time of this report issuance. Lack of an operations and maintenance program is not out of the ordinary, but it

should be noted that a maintenance program is essential to a well-run facility and should address the following:

- Heating, ventilation and airconditioning (HVAC),
- Central Plants,
- Roof Repairs,
- Electrical repairs,
- Interior and exterior lighting,
- Plumbing,
- Inter and exterior landscape,
- Structural repairs,
- Parking lot striping, lighting and pavement,
- Equipment repairs to maintain the center,
- Sprinkler system,

- Energy Management System,
- Alarm System,
- Public-Address/music system,
- Sign repairs,
- Seating/furniture of common area,
- All doors, including locks and hardware,
- Snow removal,
- Pest control,
- Security and safety environment,
- Elevators and escalators,
- Rubbish removal,
- Food court common area,
- Truck docks.

Typical life expectancies of neighborhood retail centers, and the building component's with which the facility is constructed, is approximately 40 years. This would vary depending upon a number of factors including the amount of on-going facility maintenance, the level of capital reserve replacements, the physical condition of the facility, and ongoing customer traffic.

As of the issuance of this report, no capital reserve/replacement program has been identified or provided for the subject property. A capital reserve/replacement program typically identifies major building components and actively tracks condition and estimates an appropriate replacement schedule in order to prolong the viability of the facility. This program typically tracks building components such as roofing systems, exterior envelope systems, electrical components, plumbing components, HVAC systems, parking surfacing, and life-safety systems. No capital reserve/replacement program was identified or provided as part of this analysis.

Presently, the physical condition of the facility is estimated to be poor to very poor. This is largely based on site inspection activities and the previously mentioned lack of maintenance/repair and replacement programs. Due to the inaccessibility of the site, no interior investigations were completed as part of this analysis.

Table 5 - Physical Condition Matrix

	Physical Condition						
	Excellent	Good	Average	Poor	Very Poor		
General Appearance	Extremely attractive and highly desirable	Quite attractive and desirable	Still somewhat attractive and desirable	Rather unattractive	Undesirable		
Building Services	Modern, proper & adequate	Proper & adequate	Functional	Barely usable	Antiquated; possibly unusable		
Extent of Deterioration	None, perfect, like-new	Some minor deterioration is visible	Showing signs of normal wear and tear	Deterioration is very noticeable	Structural defects apparent, approaching unsound, safety and/or health hazards may exist		
Degree of Usefulness	As originally intended	As originally intended	As originally intended, or has been converted to income property (i. e. – no longer owner-occupied)	Income property, leased, year-to- year, seldom vacant between lessees	Income property, rental unit, month- to-month, often unoccupied between renters.		
Occupancy	Occupied by original owner	Has been occupied by 2 or 3 owners at most	Has had numerous owners	Occupied by lessor; owner off-site	Occupied by renter; owner off-site		
Maintenance & Repairs	Owner has developed a preventive maintenance plan and schedule, and steadfastly holds to it	Owner addresses most maintenance and repair situations before they become major issues	Owner waits until an item stops functioning, then either repairs or replaces it.	Mostly untended	None		
Replacements/Renovations	Items are regularly replaced or renovated well before reaching the end of their useful lives	Replacements and renovations are scheduled to be made near the end of an item's useful life	Items are replaced or renovated on an as-needed basis only	Replacements and renovations are made as a last resort only	None		
Housekeeping	Conspicuously clean and tidy	Property is routinely cleaned; things are kept neat and orderly.	Occasion cleaning primarily for appearance-sake	Infrequent, light cleaning	None		

Source: Marshall & Swift

As previously mentioned, the average life expectancy of an neighborhood retail facility is approximately 87 years of age. Based on the preceding analysis, it is our opinion that the Development Area exhibits conditions which can reasonably conclude that the "Age" of the Center is a condition that contributes to the finding of blight and is prevalent throughout the Development Area.

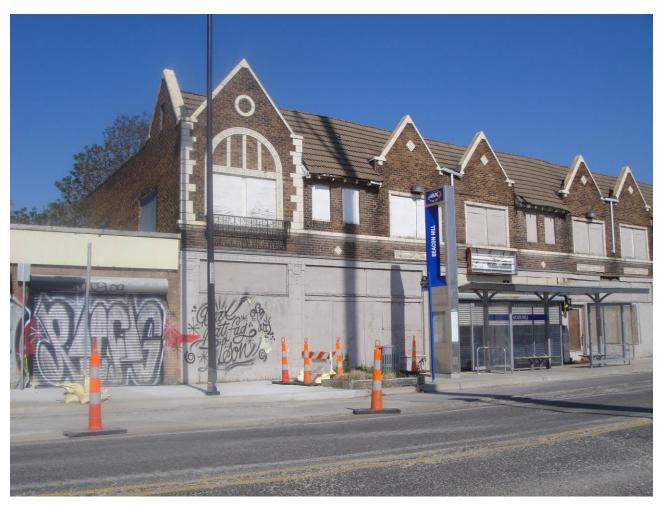


Photo 1 – Current image of the Alana Hotel Facility within the Redevelopment Area. The facility is essentially unchanged since the 2005 Jackson County Assessment photo.

### Factor 2: Obsolescence

Obsolescence is Factor 2 and is a condition that can often be caused with the advanced age of a facility. The improvements within the Development Area are nearing or have surpassed their useful, intended design. Obsolescence is also caused by the marketplace. Demand of residents, shoppers and retail tenants change, including: residential living requirements, consumer purchasing habits, consolidation of retailers, and the difficulty retailers are experiencing in finding adequate space has changed the neighborhood retail model.

In the case of the subject property, we have a historic mixed-use residential and commercial facility which appears to have been vacant since 2011 (that is the last water services activation date). Additionally, the National Park Service application for the facility indicates that by 1990 the apartments were no longer occupied.

Regarding the commercial portion of the facility, Modern day neighborhood retail centers seek to communicate the convenience that today's consumers are seeking. As the American economy has experienced a recent recession and begun to embrace a steady recovery, the shopping habits of consumers have changed, with shoppers making fewer trips, purchasing more per trip, and seeking to minimize search costs inherent in the shopping experience. In response, neighborhood retail design has evolved to a larger structure over time, and has become more strategic in tenant co-location. Furthermore, retail has focused site specific characteristics such as signage and access to ensure high level of customer convenience.

Vacancy as the result of obsolescence appears to be a factor and this combined with the lack of regular maintenance contributes to functional deficiencies and obsolescence of the structure. This shift has resulted in a diminishing return that has created obsolescence and had an impact of creating dilapidation and deterioration of the improvements throughout the Redevelopment Area and surrounding neighborhood. As improvements within the Redevelopment Area continue to age, various components continue to deteriorate without ongoing building maintenance and upkeep. Deteriorating building components have led to functional and economic obsolescence of the structures within the Redevelopment Project. These issues will continue to decrease the viability and attractiveness of the facility due to typical aging and facility deterioration. This issue is also covered in Factor 4 of this analysis under deterioration of site improvements.

The Redevelopment Area shows evidence of obsolescence through unused/vacant tenant spaces (both residential and commercial), some of which appear to be in various states of

disrepair. Within the subject facility, vacancies for many years have left residential and tenant spaces unusable, contributing to the perception of the deterioration of the structure. The vacancy rate of the Development Area appears to be 100%.

Based on the preceding observations, it is our opinion that the Development Area exhibits conditions which can reasonably conclude that obsolescence is a condition prevalent throughout the Development Area and supportive of a blight finding.

Furthermore, obsolescence of a property or area also contributes to the economic liability of an area because it does not generate as much tax revenue as a less obsolete property. The obsolete and underutilized nature of a property can also be conducive to ill health, transmission or disease, crime or particularly the inability to pay reasonable taxes. Similar to an aging property, obsolescence contributes to the inability of that property to generate reasonable tax revenue compared to a modern facility. All the while, that same property requires the same level of public service, if not more, than a modern facility.

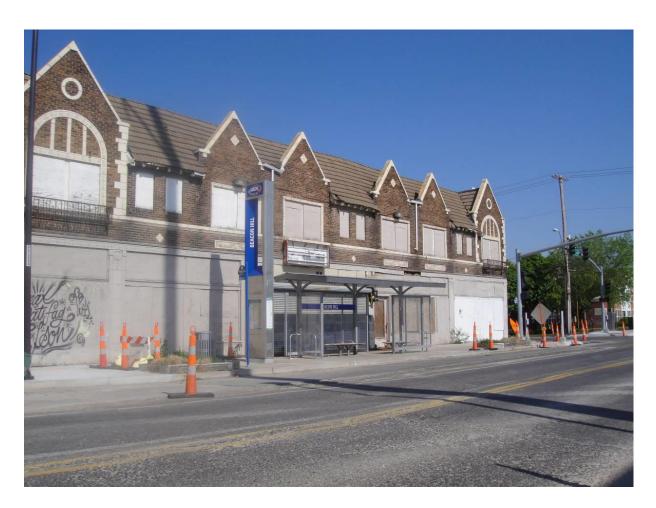


Photo 2 - Photo indicates facility entirely vacant.

# Factor 3: Inadequate or Outmoded Design

Age and obsolescence of existing improvements can also lead to inadequate or outmoded design. As previously stated, based on data from the City of Kansas City Water Services Department, the subject property has not had water service since July of 2011. Obviously, water service is an essential aspect to the habitation of a structure. We are uncertain if this vacancy is the result of some inadequacy in design, but it can certainly be ascertained that it is a contributing factor.

As mentioned, much of the Redevelopment Area was built over 80 years ago; many of the existing improvements were designed in an era which doesn't accommodate current building and design standards and codes.

These conditions include, general layout of units, common area improvements and exterior facades. Many of the existing improvements don't conform to modern uses and make rehabilitation difficult. An example of which is updating basic building components such as electrical, plumbing, and heating, ventilation/air-conditioning (HVAC) components. These improvements are often difficult to complete, costly and burdensome to the property owner.

Furthermore, inadequate and outmoded designs make it difficult to develop and market new modern residential and commercial projects. The cost of demolition or major site improvements due to inadequate or outmoded design contributes to an economic liability of an area in that it does not generate as much tax revenue as an occupied property and thusly becoming a social and economic liability.

#### Americans with Disabilities Act (ADA)

One of the most critical deficiencies in the inadequacy of a structures design is accessibility. Significant modifications would be required to each and every dwelling unit, as well as the shared public spaces and commercial tenant spaces to make them accessible for individuals who are physically disabled. While we were not able to access the interior of the subject property, it could be assumed that due to the age of the facility, many existing building improvements suffer from this outmoded design and fall short of current Americans with Disabilities Act (ADA) standards. These improvements might include, but not be limited to; a lack of ADA compliant ingress/egress to buildings, and adequate ADA accessible restrooms. The cost of making ADA compliant improvements within the area are often times cost prohibitive.

It appears that most, if not all of the public infrastructure improvements surrounding the Redevelopment Area are constructed to current standards. In fact, it appears that a public project including the construction of a new street, curbs, gutters and sidewalks is currently underway.

Based on the site observations, it is our opinion that the Development Area exhibits conditions which can reasonably conclude that "Inadequate Design" is a condition of the Development Area and supportive of a blight finding.



Photo 3 – View of the northern entrance to the subject building. Note the general lack of maintenance, as well as the lack of adequate ADA access. Lack of ADA access is a contributing factor to the overall inadequacy and outmoded design of the facility.

# **Factor 4: Deteriorating Site Improvements**

Throughout the Redevelopment Area, numerous improvements exhibit signs of physical deterioration and overall degradation. This condition is evident throughout the Redevelopment Project Area. These conditions include:

- Deteriorated building envelope systems (roof systems, flashing systems, windows and doors) which have become and are becoming compromised and more deteriorated with the continued exposure to elements. Please note that all windows and doors were boarded up upon site investigation and verification of physical status was not available.
- Deteriorated building façades which have become, and are becoming more deteriorated with the continued exposure to elements. This includes spalling of brick and masonry elements which can cause water infiltration and potentially hazardous conditions to passing pedestrians in the event these elements dislodge and fall. Additionally, the absence of roof gutters and downspouts which are designed to direct the flow of rain runoff away from the structure is a current condition. This has the potential for water infiltration through the exterior structure and could contribute to further exterior and potential interior deterioration.
- Deteriorated roofing systems which in some locations have contributed to possible leaking roof locations. Please note that actual survey of roofing elements was not possible during site investigation. However, several locations of the decorative roof elements on the east and north facades appear to have isolated and scattered deterioration in the form of missing or broken roofing tiles.
- Deteriorated building interiors which are vacant and contribute to the perception of vacancy and deterioration for the facility and neighborhood. Please note that interior access to the facility was not available. The perception of vacancy is evident from the simple fact that all windows on the structure are boarded up and appear to have been that way for the most part of the last 10 years.

Based on the site observations, it is our opinion that the Redevelopment Area exhibits conditions which can reasonably conclude that "Deteriorating Site Improvements" is a condition prevalent throughout the Redevelopment Project Area and supportive of a blight finding. The following photographs document Factor 4- Deterioration of Site Improvements.



Photo 4 – Detail of the eastern façade of 2700 Troost. Note façade deterioration due to the lack of downspout.

This condition can cause further exterior and potentially interior damage and deterioration due to water infiltration. This can also add to the perception of an underutilized, vacant facility along the Troost Avenue Corridor.



Photo 5 – View of the parapet detail along the eastern façade of the subject building.

Note scattered, damaged roof materials. Roofing material appears to be original to facility.

Also note lack of gutter and downspout systems to facilitate the discharge of excess rainwater away from the building structure. If deteriorated conditions persist, they could lead to water infiltration which would decrease value of property and deter potential tenants and shoppers, constituting an economic liability and contributing in the inability to pay reasonable taxes.

# Test number two- The predominance of these four factors has contributed to the Redevelopment Area becoming an Economic and Social Liability for the City.

Physical deterioration becomes an economic liability when a property is not producing the maximum economic benefit to the community, such as the ability to pay real, personal and sales taxes, but requires greater public expenses, such as fire, police and nuisance code violation efforts.

Physical deterioration becomes a social liability when a property's lack of maintenance presents a health, safety or concern for welfare of the public. When an area has a high percentage of properties that have physical deterioration, the economic liability of these properties generally lowers the value and often can attract crime. This can be in the form of property crimes (i.e. property trespassing, vandalism, larceny, robbery, burglary, arson, and receipt of stolen goods) and personal crimes (i.e. assault, battery, and other more violent crimes). While no data was available within the Redevelopment Area, the typical form of property crimes that occur within areas that show a predominance of physical deterioration.

This analysis illustrates that the preceding four factors have led to an economic liability within the Development Area. The statute also requires that the preceding four factors have led to a social liability. Although the term "social liability" is not specifically defined by statute, the historical context suggests the definition of "social liability" focuses upon the health, safety, and welfare of the public. Generally, the term "social liability" is not defined by Missouri Statute. However, in case law identifies an exception. In Centene Plaza Redevelopment Corporation v. Mint Properties, et al., No. SC88487, 225 S.W.3d 431 (Supreme Court of Missouri. June 12, 2007), the opinion states the following as it relates to the definition of a social liability:

"Although the term "social liability" is not specifically defined by statute or in case law, the historical context suggests the definition of "social liability" focus upon the health, safety, and welfare of the public. In that regard, it has been noted that the transformation of this country from primarily agricultural to predominantly industrial society resulted in significant growth in the cities. Tax Increment Financing Commission of Kansas City v. J.E. Dunn Const. Co., Inc., 781 S.W.2d 70, 78 (Mo. Banc 1989). One result of this growth was blighted areas, which constituted a "menace injurious to the public health, safety, morals and welfare" of the residents. The blighted areas also presented economic concerns. The need to eliminate these

conditions as a "breeding ground for juvenile delinquency, infant mortality, crime and disease," prompted a move toward redevelopment."

An area, or a property can become an economic liability when a property is not producing the maximum economic benefit to the community, such as the ability to pay real, personal and sales taxes, but requires greater public expenses, such as fire, police and nuisance code violation efforts.

Supporting this opinion is the trend of a decline in property value also indicates this economic liability is present within the Redevelopment Area. The factors shown within this report combine to create economic underutilization, which is an inability to generate comparable value or growth in property value.

#### Crime

Inquiries to the Kansas City Police Department indicated that crime specific to structures within the Redevelopment Area were minimal. Records indicate that eight (8) total police calls were made between January 2010 and April 2015. Calls averaged approximately 1.6 per year at the subject building. All service calls were for the following addresses: 2700 Troost, 2702 Troost, 2704 Troost, 2706 Troost and 1015 E. 27<sup>th</sup> Street. Calls included assistance for the following; animal at large, disturbance, fire call, non-injury accident and stealing.

#### Obsolescence

Furthermore, as we discussed in the section outlying Factor 2, obsolescence is a primary blighting factor and substantiates the fact that the deterioration of this facility has caused an economic and social liability to the immediate neighborhood.

Test number three- The predominance of these four factors has contributed to the Redevelopment Area to be conducive to ill health.

The four factors (age, obsolesce, inadequate or outmoded design, and physical deterioration) can also be conducive to ill health. Within the Redevelopment Area conditions were identified that can lead to unsafe or insanitary conditions, which can lead to ill health. These conditions include physical deterioration of a property including property and safety violations, the existence of trash debris, weeds, potential environmental conditions, and poorly lit areas.

#### <u>Poorly Lit Areas</u>

Poorly lit areas are prevalent in the Redevelopment Area, particularly along in the western boundary and the south central portion of the property parcel. Access is limited and not highly visible from any public street. This promotes activity and uses which may potentially be illegal and hazardous.

#### **Environmental Assessment**

As previously mentioned, no environmental assessments were provided for the Redevelopment Area. However, due to the age of the structure within the Redevelopment Area it is reasonable to expect that there would be some presence of asbestos, lead (paint), and heating oil tanks. However, this report does not assume that any of the properties located within the Redevelopment Area contain any amount of environmental contamination.

#### **Property and Safety Violations**

As part of this analysis, a search of property violations for the subject property has been undertaken. Data search included violations dating back from 2001. The subject property has repeatedly been inspected, notified, cited and faced legal action as the result of various and ongoing property code violations. Violations range from simple maintenance issues to more serious building violations. These include:

- Unmitigated and excessive trash & weeds.
- Disrepair of windows.
- Repeated trash, rubbish, refuse and debris on the property.
- Property maintenance code violations.
- Property referred to Municipal Court for repeated citations.
- Repeated warning letters for noxious weeds.

- Warning letters to owner for structural violations.
- KCPD call for vagrant activities.
- Property violations, cracked and peeling paint and graffiti.
- Illegal dumping on the property.
- Nuisance violations on private property vacant structure.
- Open entry notice for vacant structure (numerous).
- Animal at-large.

It appears that the subject property has repeatedly been notified by the City of property violations and no remediation activities have been undertaken to correct these deficiencies. In fact according to data obtained from the City of Kansas City, Missouri the subject property is currently on the City's Dangerous Building Listing.

Table 6 – Record of numerous property violations (Source: Kansas City, Missouri)

Department	Work Group	Type/Cause	Date	Address
NCS	NCS-Neighborhood Preservation	Property Violations-trash & weeds	7/10/2001	2700 TROOST AVE
NCS	NCS-Neighborhood Preservation	Property Violations-windows in disrepair	7/20/2001	2700 TROOST AVE
NCS	NCS-Neighborhood Preservation	Property Violations-trash, rubbish, refuse and debris	10/24/2002	2700 TROOST AVE
NCS	NCS-Neighborhood Preservation	Property Violations-property maintenance code violations	11/10/2003	2700 TROOST AVE
NCS	NCS-Neighborhood Preservation	Property Violations-property maintenance code violations remain on property	4/30/2005	2700 TROOST AVE
NCS	NCS-Neighborhood Preservation	Property Violations-Case docketed for Municipal Court	12/29/2005	2700 TROOST AVE
NCS	NCS-Neighborhood Preservation	Property Violations-Warning letter for rank weeds on property	22/21/2005	2700 TROOST AVE
NCS	NCS-Neighborhood Preservation	Property Violations-No change in violations	2/8/2006	2700 TROOST AVE
NCS	NCS-Neighborhood Preservation	Property Violations-Notice to owner for Structural Violations	6/30/2006	2700 TROOST AVE
KCPD	KCPD	Emergency Response Complaint-Vagrant Activities	11/17/2006	2702 TROOST AVE
NCS	NCS-Neighborhood Preservation	Property Violations-No progress on violations. Cracked peeling paint and graffiti.	5/29/2007	2700 TROOST AVE
NCS	NCS-Neighborhood Preservation	Property Violations-Warning letter for tall grass on property.	7/13/2007	2700 TROOST AVE
NCS	NCS-Neighborhood Preservation-	Illegal Dumping on Property	10/3/2007	2700 TROOST AVE
Public Works	Public Works-Street and Traffic-Traffic Signals	Traffic Signal Malfunction	3/12/2008	2700 TROOST AVE
Water Services	Water Services-Meter & Field Services-	Water Leak or Pressure Problem	12/16/2008	2702 TROOST AVE
NCS	NCS-Dangerous Buildings-	Nuisance Violations on Private Property Vacant Structure	7/13/2009	2702 TROOST AVE
NCS	NCS-Neighborhood Preservation-	Property Violations	1/15/2010	2702 TROOST AVE
NCS	NCS-Neighborhood Preservation-Open Entry	Vacant Structure Open to Entry	2/11/2011	2702 TROOST AVE
NCS	NCS-Neighborhood Preservation-	Property Violations	3/9/2011	2702 TROOST AVE
NCS	NCS-Neighborhood Preservation-	Property Violations	11/17/2011	2702 TROOST AVE
NCS	NCS-Neighborhood Preservation-Open Entry	Vacant Structure Open to Entry	3/20/2012	2702 TROOST AVE
NCS	NCS-Animal Health and Safety-	Animal At Large	10/14/2012	2702 TROOST AVE
Public Works	Public Works-Street and Traffic-Preservation	Street Preservation or Overlay	5/9/2013	2702 TROOST AVE
NCS	NCS-Neighborhood Preservation-Open Entry	Vacant Structure Open to Entry	3/26/2014	2702 TROOST AVE
Public Works	Public Works-Street and Traffic-District 2	Street Maintenance General (South of River to 47th Street and East of Blue PKWY)	4/18/2014	2702 TROOST AVE
NCS	NCS-Neighborhood Preservation-	Property Violations	11/25/2014	2702 TROOST AVE
Public Works	Public Works-Street and Traffic-Administration	Street and Traffic Administration	2/19/2015	2702 TROOST AVE
NCS	NCS-Dangerous Buildings-	Dangerous Building	4/15/2015	2702 TROOST AVE

#### And as a result: Transmission of Disease.

Two factors (inadequate or outmoded design and physical deterioration) can also be conducive to transmission of disease. Within the Redevelopment Area there are conditions that could result in the transmission of disease. These conditions possible presence of environmentally hazardous materials which pose an negative impact to the property or users of the property. In addition scattered trash, debris, and excessive weeds, were found in the Redevelopment Area, may also lead to transmission of disease.

#### And as a result: Crime.

One factor, physical deterioration, can also be have an influence on personal or property crimes. As previously mentioned, inquiries to the Kansas City Police Department indicated that crime specific to structures within the Redevelopment Area were minimal. Records indicate that eight (8) total police calls were made between January 2010 and April 2015. Calls included assistance for the following; animal at large, disturbance, fire call, non-injury accident and stealing.

## And as a result: Inability to Pay Reasonable Taxes.

Finally the four factors (age, obsolesce, inadequate or outmoded design, and physical deterioration) can also effect the ability to pay reasonable taxes. When a property or properties exhibit one of the four factors or a combination of those factors, often the property values decline, income potential decline (potential rents or value of property), leading to a reduction in the value of surrounding properties. This blighting influence can hinder reinvestment in an area and reduce activities which would generate new real, personal property investment or the potential for employment, and sales and utility taxes.

The current assessed valuation of the parcel was done in 2014 by the Jackson County Assessor's Office, and shows a market value of \$21,105 and an assessed value of \$6,754. Data shows an average annual decrease of approximately 0.23% per year for the last five years. While the property valuation data shows a decrease of less than 0.5% per year for the subject property, this is an indication of a larger neighborhood decline. Of all surrounding parcels which have experienced a decrease in property values, the decline in market values range from 1.04% to 22.77%, and the decline in assessed values range from 1.04% to 20.99%. Average property value decrease of those property parcels immediately surrounding the subject property indicate an average decline of 6.48% in market value and a decline of 4.25% in assessed value. The subject property shows less of a property value decline than surrounding properties, but this overall decline shows the negative impact to the subject property and surrounding area. Table 6 below shows the market value of the subject property decreased after 2010.

	2014	2013	2012	2011	2010
Total Market Value	\$21,105	\$21,105	\$21,105	\$21,105	\$21,300
Year to year change	\$O	\$0	\$0	-\$195	
% change yr to yr	0.0%	0.0%	0.0%	-0.92%	
Avg. change/ 5yr	-0.23%				
Total Assessed Value	\$6,754	\$6,754	\$6,754	\$6,754	\$6,816
Year to year change	\$0	\$0	\$0	-\$62	
% change yr to yr	0.0%	0.0%	0.0%	-0.91%	
Avg. change/ 5yr	-0.23%				

Table 7 - Market and Assessed Valuation (2010-2014).

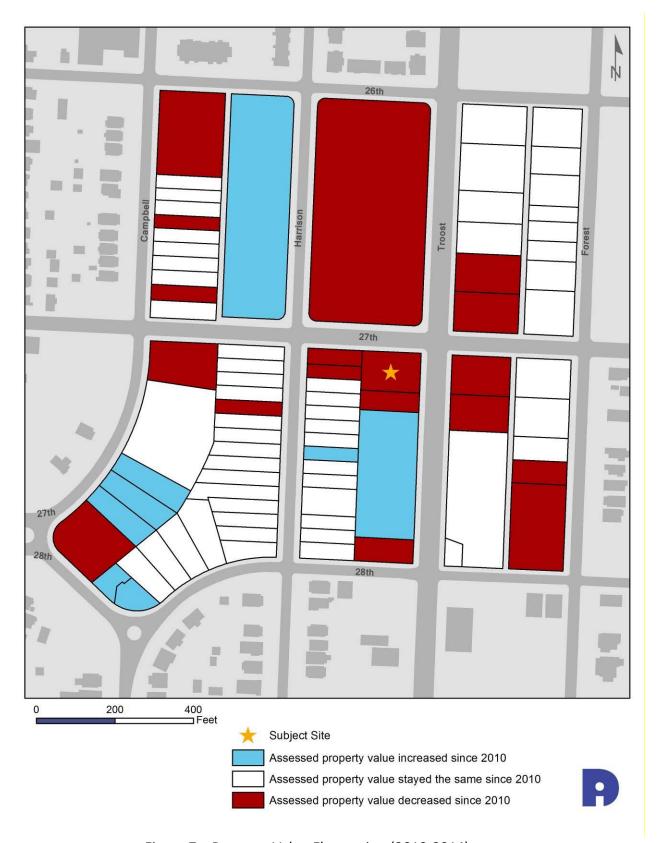


Figure 7 – Property Value Fluctuation (2010-2014)

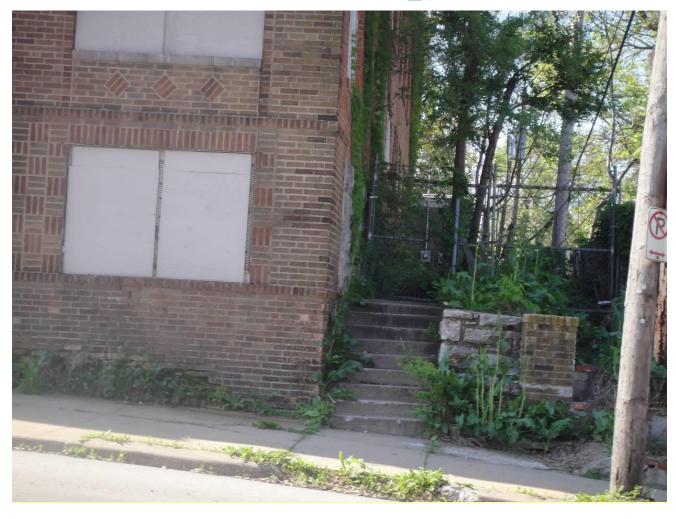


Photo 5 – Western access to the subject property and facility. This area is poorly lit and conducive to illegal dumping and vagrancy.

Illegal dumping and vagrancy are crimes and may cause an economic liability by making the area less desirable to prospective tenants and area residents, potentially decreasing property values. In addition, this condition can also deter shoppers from frequenting this local retail establishment resulting in a loss of possible sales tax.



Photo 6 – Graffiti along the northern façade of the subject building. The presence of graffiti continues the perception of a underutilized and vacant facility and can cause a economic and social liability to the surrounding neighborhood.

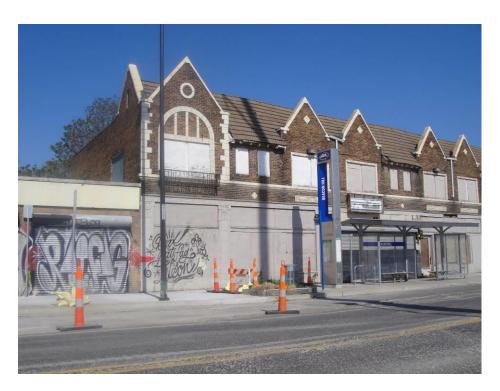


Photo 7 – View of the eastern façade of the subject building. Note graffiti present. The presence of graffiti continues the perception of a underutilized and vacant facility and can cause a economic and social liability to the surrounding neighborhood.

#### 353 Blight Conclusions

Presently, the Redevelopment Area's location indicates even more evidence of the area's need for overall redevelopment. The Redevelopment Area currently, as a whole, suffers from numerous unfavorable blighting factors, as previously described. If any Redevelopment Project is completed at the subject property, then such redevelopment should maximize the site's economic potential and generate added tax revenue and economic development for the area.

The preceding analysis indicates that the Development Area suffers from numerous unfavorable blighting factors, as delineated in the statutes and as previously described. The Development Area contains numerous outdated improvements which, in our opinion, do not permit the area to be utilized to its full potential. The existing improvements are approximately 87 years of age and appear to be currently vacant. Without redevelopment, it is expected that the Development Area will continue to face a loss of assessed value and decrease in viability to attract shoppers.

Given the location and visibility of the Development Area along the Troost Corridor, we anticipate that Development Area, if substantially improved, should generate increased tax revenue and economic activity.

Factors	Has become an economic liability	Has become a social liability	Conducive to ill health	Trans- mission of disease	Crime	Inability to pay reasonable taxes
Age	х	Х	х		Х	Х
Obsolescence	Х	Х				Х
Inadequate or outmoded design	х		x	х		X
physical deterioration	х	х	х	х	х	х

Table 8- Summarization of 353 Findings

We can reasonably conclude that this is a condition prevalent throughout the Redevelopment Project Area meets the three part test and is supportive of a blight finding.

As a result of the factors discussed previously, it is our determination that according to R.S. Mo. Section 353.020 (2), the Redevelopment Project Area as a whole meets the definition of a "blighted area" and suffers from age, obsolescence, inadequate or outmoded design,

physical deterioration, conditions which have become both economic and social liabilities; and a combination of conditions which are conducive to ill health, crime or inability to pay reasonable taxes. This is also shown in Table 3- Summarization of 353 Findings.

## **Section IV**

# **Determination of Conditions – Chapter 99 Statutory Guidelines and Blight Findings**

This Section discusses the Development Area in regards to the Real Property Tax Increment Allocation Redevelopment Act (RSMo 99.805 (1)). Within this Section all references to the subject property shall also utilize the term "Redevelopment Area".

In determining whether the defined Redevelopment Area is "blighted", we first must define the term "blighted area". For the purposes of this study, we analyzed the Redevelopment Area in terms of the definition included in RSMo Section 99.805 (1):

"Blighted Area," an area which, by reason of the predominance of defective or inadequate street layout, unsanitary 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;

This is a two part test, the Redevelopment Area must contain the predominance of at least one of the following Factors:

- Factor 1: Defective or inadequate street layout,
- Factor 2: Unsanitary or unsafe conditions,
- Factor 3: Deterioration of site improvements,
- Factor 4: Improper subdivision or obsolete platting, and
- Factor 5: The existence of conditions which endanger life or property by fire and and other causes.

Secondly, the above factors or combination of the above factors within the Redevelopment Area cause one or more of the following:

- Retards the provision of housing accommodations,
- Constitutes an economic or social liability, or
- Constitutes a menace to the public health, safety, morals or welfare in its present condition and use.

Upon inspection and analysis of the proposed Redevelopment Area, there are a number of existing factors in the area which support a finding of blight for the Redevelopment Area. These factors meet all three of the five statutory factors and are shown to cause three of the listed secondary factors. Table 8 below summarizes these findings:

Factors	Present	Retard the provision of housing accommodation	Constitute an Economic or social liability	Menace to the public health, safety, morals or welfare
Defective or inadequate street layout,	No			
Insanitary or unsafe conditions,	YES	x	x	х
Deterioration of site improvements,	YES	х	х	х
Improper subdivision or obsolete platting,	NO			
Conditions which endanger life or property by fire and other causes.	YES	х	x	х

Table 9- Summarization of Chapter 99 Findings.

## Factor 1- Defective or Inadequate Street Layout

In its present condition, the Redevelopment Area is primarily accessed by Troost Avenue on the east and East 27<sup>th</sup> Street on the north. There are specific conditions that can be used to determine whether a Redevelopment Area is blighted based defective or inadequate street layout. Generally these conditions included; poor vehicular access and/or internal circulation within the Redevelopment Area; substandard street/road/drive-way/drive-isle definition and parking layout (e.g. lack of curb cuts, awkward entrance and exit points); offset or irregular intersections; and substandard or nonexistent pedestrian circulation.

Generally all these items are adequate condition. The pedestrian sidewalk system is in good condition. There is no vehicular access to the Redevelopment Area other than "curb-side" access. No driveways or vehicular entrances are present or were originally constructed.

In our opinion, the threshold of defective or inadequate street layout is not occurring within the Redevelopment Area, and thus has not been met.

## **Factor 2: Insanitary or Unsafe Conditions**

Conditions typically associated with a finding of blight under insanitary of unsafe conditions include the existence of trash, debris, weeds or overgrowth, poorly lit areas, graffiti, or any conditions believed to be unsafe. There are several locations within the Redevelopment Area exhibiting unsafe or insanitary conditions.

Within the Redevelopment Area several conditions were identified that can lead to unsafe or insanitary conditions. These conditions include physical deterioration of a property including property and safety violations, the existence of trash debris, weeds, potential environmental conditions, and poorly lit areas.

#### Poorly Lit Areas

Poorly lit areas are prevalent in the Redevelopment Area, particularly along in the western boundary and south central portion of the property parcel. Access is limited and not highly visible from any public street. This promotes uses which may potentially be illegal and hazardous.

#### **Environmental Assessment**

As previously mentioned, no environmental assessments were provided for the Redevelopment Area. However, due to the age of the structure within the Redevelopment Area it is reasonable to expect that there would be some presence of asbestos, lead (paint), and heating oil tanks. However, this report does not assume that any of the properties located within the Redevelopment Area contain any amount of environmental contamination. These conditions possible presence of environmentally hazardous materials which pose an negative impact to the property or users of the property. In addition scattered trash, debris, and excessive weeds, were found in the Redevelopment Area, may also lead to transmission of disease.

#### Crime

One factor, physical deterioration, can also be have an influence on personal or property crimes. As previously mentioned, inquiries to the Kansas City Police Department indicated that crime specific to structures within the Redevelopment Area were minimal. Records indicate that eight (8) total police calls were made between January 2010 and April 2015. Calls included assistance for the following; animal at large, disturbance, fire call, non-injury accident and stealing.

## **Property and Safety Violations**

As previously mentioned in this report, a search of property violations for the subject property has been undertaken. Data search included violations dating back from 2001. The subject property has repeatedly been inspected, notified, cited and faced legal action as the result of various and ongoing property code violations. Violations range from simple maintenance issues to more serious building violations. These include:

- Unmitigated and excessive trash & weeds.
- Disrepair of windows.
- Repeated trash, rubbish, refuse and debris on the property.
- Property maintenance code violations.
- Property referred to Municipal Court for repeated citations.
- Repeated warning letters for noxious weeds.
- Warning letters to owner for structural violations.
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- Illegal dumping on the property.

- Nuisance violations on private property vacant structure.
- Open entry notice for vacant structure (numerous).
- Animal at-large.

It appears that the subject property has repeatedly been notified by the City of property violations and no remediation activities have been undertaken to correct these deficiencies. In fact according to data obtained from the City of Kansas City, Missouri the subject property is currently on the City's Dangerous Building Listing.

Table 10 – Record of numerous property violations (source: Kansas City, Missouri)

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NCS	NCS-Dangerous Buildings-	Dangerous Building	4/15/2015	2702 TROOST AVE

## **Factor 3: Deterioration of Site Improvements**

As previously discussed, throughout the Redevelopment Area, numerous improvements exhibit signs of physical deterioration and overall degradation. This condition is evident throughout the Redevelopment Project Area. These conditions include:

- Deteriorated building envelope systems (roof systems, flashing systems, windows and doors) which have become and are becoming compromised and more deteriorated with the continued exposure to elements. Please note that all windows and doors were boarded up upon site investigation and verification of physical status was not available.
- Deteriorated building façades which have become, and are becoming more deteriorated with the continued exposure to elements. This includes spalling of brick and masonry elements which can cause water infiltration and potentially hazardous conditions to passing pedestrians in the event these elements dislodge and fall. Additionally, the absence of roof gutters and downspouts which are designed to direct the flow of rain runoff away from the structure is a current condition. This has the potential for water infiltration through the exterior structure and could contribute to further exterior and potential interior deterioration.
- Deteriorated roofing systems which in some locations have contributed to possible leaking roof locations. Please note that actual survey of roofing elements was not possible during site investigation. However, several locations of the decorative roof elements on the east and north facades appear to have isolated and scattered deterioration in the form of missing or broken roofing tiles.
- Deteriorated building interiors which are vacant and contribute to the perception of vacancy and deterioration for the facility and neighborhood. Please note that interior access to the facility was not available. The perception of vacancy is evident from the simple fact that all windows on the structure are boarded up and appear to have been that way for the most part of the last 10 years.

Based on the site observations, it is our opinion that the Redevelopment Area exhibits conditions which can reasonably conclude that "Deteriorating Site Improvements" is a condition prevalent throughout the Redevelopment Project Area and supportive of a blight finding. The following photographs document Factor 4- Deterioration of Site Improvements.



Photo 9 – Detail of the eastern façade of 2700 Troost. Note façade deterioration due to the lack of downspout.

This condition can cause further exterior and potentially interior damage and deterioration due to water infiltration. This can also add to the perception of an underutilized, vacant facility along the Troost Avenue Corridor.

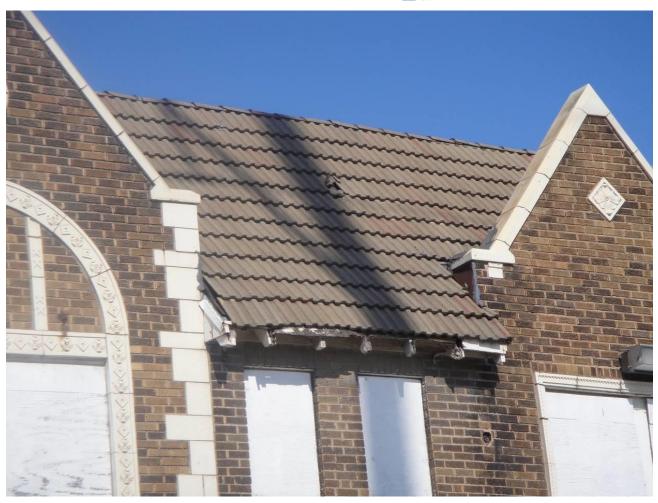


Photo 10 – View of the parapet detail along the eastern façade of the subject building. Note scattered, damaged roof materials. Roofing material appears to be original to facility. Also note lack of gutter and downspout systems to facilitate the discharge of excess rainwater away from the building structure. If deteriorated conditions persist, they could lead to water infiltration which would decrease value of property and deter potential tenants and shoppers, constituting an economic liability and contributing in the inability to pay reasonable taxes.

## **Factor 4: Improper Subdivision or Obsolete Platting**

There are specific conditions that can be used to determine whether a Redevelopment Area is blighted based on improper subdivision or obsolete platting. Generally these conditions can be described as faulty lot shape and/or layout, inadequate lot size, poor access, or conformity of use. In our opinion, the threshold of improper subdivision or obsolete platting is not occurring within the Redevelopment Area, and thus has not been met.

## Factor 5: Existence of Conditions which endanger life or property by fire or other causes

Many of the improvements being original to the construction, show clear indication that some of the life safety components may need to be updated, due to age or obsolescence.

#### Environmental

As previously mentioned, no environmental assessments were provided for the Redevelopment Area. However, due to the age of the structure within the Redevelopment Area it is reasonable to expect that there would be some presence of asbestos, lead (paint), and heating oil tanks. However, this report does not assume that any of the properties located within the Redevelopment Area contain any amount of environmental contamination. These conditions possible presence of environmentally hazardous materials which pose an negative impact to the property or users of the property. In addition scattered trash, debris, and excessive weeds, were found in the Redevelopment Area, may also lead to transmission of disease.

#### Crime

As previously mentioned, inquiries to the Kansas City Police Department indicated that crime specific to structures within the Redevelopment Area were minimal. Records indicate that eight (8) total police calls were made between January 2010 and April 2015. Calls included assistance for the following; animal at large, disturbance, fire call, non-injury accident and stealing. While these crimes are not directly life threatening, they may be conducive to the creation of conditions which lead to the endangerment of life or property.

Test number two - The predominance of the previously discussed five factors has contributed to the retardation of the provisions of housing, constitute an economic or social liability, or conditions that constitute a menace to the public health, safety, morals, or welfare in its present condition and use.

#### Retards the provisions of housing

As constructed, a significant portion of the structure within the Redevelopment Area was developed in part for residential usage. It is currently vacant and appears to have been so since 1990.<sup>10</sup> In its current deteriorated and vacant condition, no residential uses are available. In fact basic utilities to the structure do not appear to be connected. We do conclude that as it exists today, the Redevelopment Area retards the provision of housing accommodations.

#### Constitutes an economic liability

The Redevelopment Area can become an economic liability when it is not producing the maximum economic benefit to the community, such as the ability to pay real, personal and sales taxes, all the while requiring the same or greater public expenses, such as fire, police and nuisance code violation efforts.

The factors previously shown within this report combine to create economic liability. Supporting this opinion is the trend of a general decline in property within the Redevelopment Area. This in our opinion is a clear indication of an economic liability to the property and surrounding area.

The current assessed valuation of the parcel was obtained from the Jackson County, Missouri Assessor's Office, and shows a market value of \$21,105 and an assessed value of \$6,754. Data shows an average annual decrease of approximately 0.23% per year for the last five years. While the property valuation data shows a decrease of less than 0.5% per year for the subject property, this is an indication of a larger neighborhood decline. Of all surrounding parcels which have experienced a decrease in property values, the decline in market values range from 1.04% to 22.77%, and the decline in assessed values range from 1.04% to 20.99%. Average property value decrease of those property parcels immediately surrounding the subject property indicate an average decline of 6.48% in market value and a decline of 4.25% in assessed value. The subject property shows less of a property value decline than surrounding properties, but this overall decline shows the negative impact to

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<sup>&</sup>lt;sup>10</sup> National Park Service, National Registration of Historic Places Registration Form, Alana Apartment Hotel, 5/16/06.

the subject property and surrounding area. Table 8 & 9 below shows the market value of the subject property decreased after 2010.

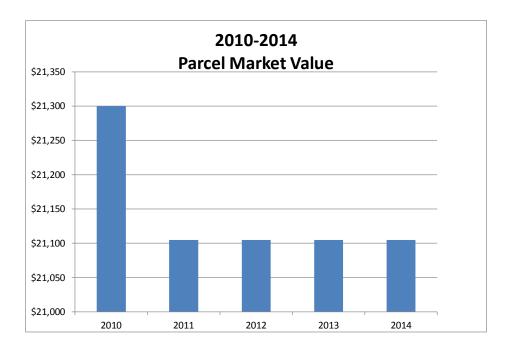


Table 11 – Parcel Market & Appraised Value

	2014	2013	2012	2011	2010
Total Market Value	\$21,105	\$21,105	\$21,105	\$21,105	\$21,300
Year to year change	\$0	\$0	\$0	-\$195	
% change yr to yr	0.0%	0.0%	0.0%	-0.92%	
Avg. change/ 5yr	-0.23%				
Total Assessed Value	\$6,754	\$6,754	\$6,754	\$6,754	\$6,816
Year to year change	\$0	\$0	\$0	-\$62	
% change yr to yr	0.0%	0.0%	0.0%	-0.91%	
Avg. change/ 5yr	-0.23%				

Table 12 – Market and Assessed Valuation (2010-2014)

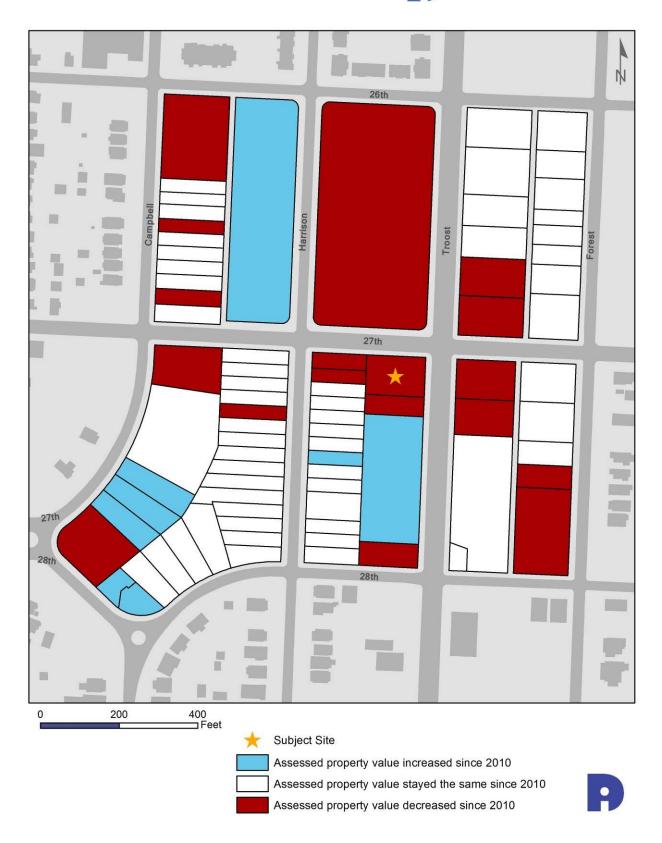


Figure 8 - Property Value Fluctuation (2010-2014)

#### **Constitutes a social liability**

Physical deterioration becomes a social liability when a property's lack of maintenance presents a health, safety or concern for welfare of the public. When an area has a high percentage of properties that have physical deterioration, the economic liability of these properties generally lowers the value and often can attract crime. This can be in the form of property crimes (i.e. property trespassing, vandalism, larceny, robbery, burglary, arson, and receipt of stolen goods) and personal crimes (i.e. assault, battery, and other more violent crimes). While no data was available within the Redevelopment Area, the typical form of property crimes that occur within areas that show a predominance of physical deterioration.

This analysis illustrates that conditions are present which have led to an economic liability within the Development Area. Although the term "social liability" is not specifically defined by statute, the historical context suggests the definition of "social liability" focuses upon the health, safety, and welfare of the public. While the term "social liability" is not defined by Missouri Statute there is case law which identifies an exception. In Centene Plaza Redevelopment Corporation v. Mint Properties, et al., No. SC88487, 225 S.W.3d 431 (Supreme Court of Missouri. June 12, 2007), the opinion states the following as it relates to the definition of a social liability:

"Although the term "social liability" is not specifically defined by statute or in case law, the historical context suggests the definition of "social liability" focus upon the health, safety, and welfare of the public. In that regard, it has been noted that the transformation of this country from primarily agricultural to predominantly industrial society resulted in significant growth in the cities. Tax Increment Financing Commission of Kansas City v. J.E. Dunn Const. Co., Inc., 781 S.W.2d 70, 78 (Mo. Banc 1989). One result of this growth was blighted areas, which constituted a "menace injurious to the public health, safety, morals and welfare" of the residents. The blighted areas also presented economic concerns. The need to eliminate these conditions as a "breeding ground for juvenile delinquency, infant mortality, crime and disease," prompted a move toward redevelopment."

Thus, an area or a property can become an social liability when a property is not producing the maximum economic and social benefit to the community, such as the ability to pay real, personal and sales taxes, but requires greater public expenses, such as fire, police and nuisance code violation efforts. Supporting this opinion is the trend of a decline in property value indicating this liability is present within the Redevelopment Area.

Based on this analysis, we conclude that social liabilities exist within the Redevelopment Area which continues to stymie its social contribution to the surrounding properties and the neighborhood in general.

## Conditions that Constitute a Menace to the Public Health, Safety, Morals, or Welfare in its Present Condition and Use.

#### **Property and Safety Violations**

As previously mentioned, the subject property has repeatedly been inspected, notified, cited and faced legal action as the result of various and ongoing property code violations. Violations range from simple maintenance issues to more serious building violations. These include:

- Unmitigated and excessive trash & weeds.
- Disrepair of windows.
- Repeated trash, rubbish, refuse and debris on the property.
- Property maintenance code violations.
- Property referred to Municipal Court for repeated citations.
- Repeated warning letters for noxious weeds.
- Warning letters to owner for structural violations.
- KCPD call for vagrant activities.
- Property violations, cracked and peeling paint and graffiti.
- Illegal dumping on the property.
- Nuisance violations on private property vacant structure.
- Open entry notice for vacant structure (numerous).
- Animal at-large.

It appears that the subject property has repeatedly been notified by the City of property violations and no remediation activities have been undertaken to correct these deficiencies. In fact according to data obtained from the City of Kansas City, Missouri the subject property is currently on the City's Dangerous Building Listing.

Table 13 – Record of numerous property violations (source: Kansas City, Missouri)

Department	Work Group	Type/Cause	Date	Address
NCS	NCS-Neighborhood Preservation	Property Violations-trash & weeds	7/10/2001	2700 TROOST AVE
NCS	NCS-Neighborhood Preservation	Property Violations-windows in disrepair	7/20/2001	2700 TROOST AVE
NCS	NCS-Neighborhood Preservation	Property Violations-trash, rubbish, refuse and debris	10/24/2002	2700 TROOST AVE
NCS	NCS-Neighborhood Preservation	Property Violations-property maintenance code violations	11/10/2003	2700 TROOST AVE
NCS	NCS-Neighborhood Preservation	Property Violations-property maintenance code violations remain on property	4/30/2005	2700 TROOST AVE
NCS	NCS-Neighborhood Preservation	Property Violations-Case docketed for Municipal Court	12/29/2005	2700 TROOST AVE
NCS	NCS-Neighborhood Preservation	Property Violations-Warning letter for rank weeds on property	22/21/2005	2700 TROOST AVE
NCS	NCS-Neighborhood Preservation	Property Violations-No change in violations	2/8/2006	2700 TROOST AVE
NCS	NCS-Neighborhood Preservation	Property Violations-Notice to owner for Structural Violations	6/30/2006	2700 TROOST AVE
KCPD	KCPD	Emergency Response Complaint-Vagrant Activities	11/17/2006	2702 TROOST AVE
NCS	NCS-Neighborhood Preservation	Property Violations-No progress on violations. Cracked peeling paint and graffiti.	5/29/2007	2700 TROOST AVE
NCS	NCS-Neighborhood Preservation	Property Violations-Warning letter for tall grass on property.	7/13/2007	2700 TROOST AVE
NCS	NCS-Neighborhood Preservation-	Illegal Dumping on Property	10/3/2007	2700 TROOST AVE
Public Works	Public Works-Street and Traffic-Traffic Signals	Traffic Signal Malfunction	3/12/2008	2700 TROOST AVE
Water Services	Water Services-Meter & Field Services-	Water Leak or Pressure Problem	12/16/2008	2702 TROOST AVE
NCS	NCS-Dangerous Buildings-	Nuisance Violations on Private Property Vacant Structure	7/13/2009	2702 TROOST AVE
NCS	NCS-Neighborhood Preservation-	Property Violations	1/15/2010	2702 TROOST AVE
NCS	NCS-Neighborhood Preservation-Open Entry	Vacant Structure Open to Entry	2/11/2011	2702 TROOST AVE
NCS	NCS-Neighborhood Preservation-	Property Violations	3/9/2011	2702 TROOST AVE
NCS	NCS-Neighborhood Preservation-	Property Violations	11/17/2011	2702 TROOST AVE
NCS	NCS-Neighborhood Preservation-Open Entry	Vacant Structure Open to Entry	3/20/2012	2702 TROOST AVE
NCS	NCS-Animal Health and Safety-	Animal At Large	10/14/2012	2702 TROOST AVE
Public Works	Public Works-Street and Traffic-Preservation	Street Preservation or Overlay	5/9/2013	2702 TROOST AVE
NCS	NCS-Neighborhood Preservation-Open Entry	Vacant Structure Open to Entry	3/26/2014	2702 TROOST AVE
Public Works	Public Works-Street and Traffic-District 2	Street Maintenance General (South of River to 47th Street and East of Blue PKWY)	4/18/2014	2702 TROOST AVE
NCS	NCS-Neighborhood Preservation-	Property Violations	11/25/2014	2702 TROOST AVE
Public Works	Public Works-Street and Traffic-Administration	Street and Traffic Administration	2/19/2015	2702 TROOST AVE
NCS	NCS-Dangerous Buildings-	Dangerous Building	4/15/2015	2702 TROOST AVE

#### Crime

Again, inquiries to the Kansas City Police Department indicated that crime specific to structures within the Redevelopment Area were minimal. Records indicate that eight (8) total police calls were made between January 2010 and April 2015. All service calls were for the following addresses: 2700 Troost, 2702 Troost, 2704 Troost, 2706 Troost and 1015 E. 27<sup>th</sup> Street. Calls included assistance for the following; animal at large, disturbance, fire call, non-injury accident and stealing.

CALL NO	REPORT#	Date	Call Type	CAR	BEAT	LOCATION	Time
2700 TROOS	ST AVE,KC						
112452656		09/02/2011	OTHER INCIDENT	125	115	2700 TROOST AVE	19:91:04
113331368	07086182	11/29/2011	STEALING		115	2700 TROOST AVE	13:33:51
123330689	07084993	11/28/2012	NON INJURY ACCIDENT		115	2700 TROOST AVE	08:85:01
141350695		05/15/2014	Animal Health Admin	2621	115	2700 TROOST AVE	08:83:26
151042399		04/14/2015	FIRE CALL		115	2700 TROOST AVE	18:82:12
2702 TROOS	ST AVE,KC						
122891294		10/15/2012	Animal at Large	2635	115	2702 TROOST AVE	12:24:57
2704 TROOS	ST AVE,KC		_				
110342474		02/03/2011	INFORMATION CALL		115	2704 TROOST AVE	17:75:21
110342528		02/03/2011	DISTURBANCE	145	115	2704 TROOST AVE	18:81:15
Total Calls f	or 1/1/2010 to	4/16/2015 -	8				

Table 14 - Kansas City Police Department-Emergency Calls

#### **Chapter 99 Blight Conclusion**

The preceding analysis indicates that the Redevelopment Area contains numerous outdated improvements which do not permit the area to be utilized to its full potential. The building is almost 88 years of age and shows signs of physical deterioration. Without improvements, it can be expected that the current trend of a decline in property assessment and property taxes will continue.

The preceding analysis indicates that the Redevelopment Area suffers from numerous unfavorable blighting factors. Indications are that three of the five factors are present within the Redevelopment Area. This is the primary test as delineated in RSMo. Section 99.805 (1) and summarized below on Table 11.

Factors	Present	Retard the provision of housing accommodation	Constitute an Economic or social liability	Menace to the public health, safety, morals or welfare
Defective or inadequate street layout,	No			
Insanitary or unsafe conditions,	YES	X	x	х
Deterioration of site improvements,	YES	х	x	x
Improper subdivision or obsolete platting,	NO			
Conditions which endanger life or property by fire and other causes.	YES	х	x	х

Table 15 - Summarization of Chp 99 Findings

As a result of the factors discussed above, we have determined that according to R.S. Mo. Section 99.805 (1) the Redevelopment Area as a whole meets the definition of a "blighted area" and suffers from inadequate street layout, insanitary or unsafe conditions, deterioration of site improvements. In addition these factors have caused conditions which have become economic and social liabilities and constitute a menace to the public health, safety, morals or welfare in its present condition and use. This is also shown in Table 3-Summarization of Chp 99 Findings.

### Section V

Determination of Conditions – Impact of Great Rivers Habitat Alliance v. City of St. Peters (384 S.W. 3d 279, 295 (Mo. Ct. App.2012)).

This analysis also reviews the subject property in regards to the definition of blight as outlined in the recent case <u>Great Rivers Habitat Alliance v. City of St. Peters (384 S.W. 3d 179, 295 (Mo. Ct. App. 2012).</u> The Great Rivers Habitat Alliance (GRHA) case was a contention of the blight finding under the Real Property Tax Increment Allocation Redevelopment Act (The "TIF Act") involving a case between the City of St. Peters and the Great Rivers Habitat Alliance. The case challenged the adoption of tax increment financing for a 1,640 acre tract of land in the City of St. Peters, Missouri.

The Great Rivers Habitat Alliance case further defined the meaning of "blight" as "a condition or influence that lowers the value of real estate by termination of healthy growth and development accompanied by deterioration and decline of property values".

The case specifically cites a "plain and ordinary meaning" of the word "blight" by its dictionary definition (Webster's Third New Int'l Dictionary Unabridged 233 (1993)).

From this definition, the indicium of blight is a decline in the value of real estate. Thus, in an area where property values have deteriorated and declined, the Constitution permits municipalities to encourage growth and development through tax relief and through activities that will arrest the decline in property value and stimulate its increase. <sup>12</sup>

In that regards, factors previously shown within this report combine to show a clear decline in property values (both market value and assessed value) for property within the Redevelopment Area. Property values available for analysis were obtained from the Jackson County, Missouri Assessors Department and cover years 2010 through 2014.

Supporting this opinion is the trend of repeated property code violations and a general decline in property conditions within the Redevelopment Area. This, in our opinion, is a clear indication of a decrease in property values and a negative impact to the subject property and surrounding area.

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<sup>&</sup>lt;sup>12</sup> Missouri Court of Appeals, Western District. *Great Rivers Habitat Alliance, et al, v. City of St. Peters et al.* 

The current assessed valuation of the parcel was done in 2014 by the Jackson County Assessor's Office, and shows a market value of \$21,105 and an assessed value of \$6,754. Data shows an average annual decrease of approximately 0.23% per year for the last five years. While the property valuation data shows a decrease of less than 0.5% per year for the subject property, this is an indication of a larger neighborhood decline. Of all surrounding parcels which have experienced a decrease in property values, the decline in market values range from 1.04% to 22.77%, and the decline in assessed values range from 1.04% to 20.99%. Average property value decrease of those property parcels immediately surrounding the subject property indicate an average decline of 6.48% in market value and a decline of 4.25% in assessed value. The subject property shows less of a property value decline than surrounding properties, but this overall decline shows the negative impact to the subject property and surrounding area. The following Tables (12 & 13) show the market value of the subject property decreased after 2010.

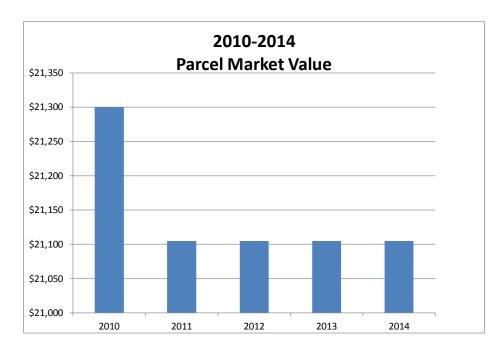


Table 16 – Parcel Market & Appraised Value.

	2014	2013	2012	2011	2010
Total Market Value	\$21,105	\$21,105	\$21,105	\$21,105	\$21,300
Year to year change	\$0	\$0	\$0	-\$195	
% change yr to yr	0.0%	0.0%	0.0%	-0.92%	
Avg. change/ 5yr	-0.23%				
Total Assessed Value	\$6,754	\$6,754	\$6,754	\$6,754	\$6,816
Year to year change	\$0	\$0	\$0	-\$62	
% change yr to yr	0.0%	0.0%	0.0%	-0.91%	
Avg. change/ 5yr	-0.23%				

Table 9 – Market and Assessed Valuation (2010-2014).

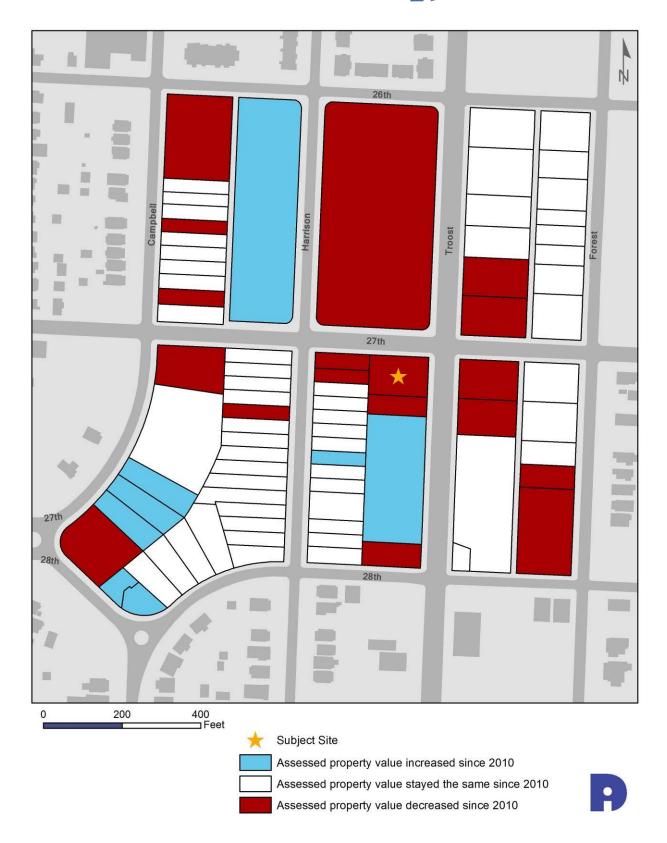


Figure 9 - Property Value Fluctuation (2010-2014)



## **Exhibit A: Ownership Information**

Table 18 – Ownership Information

Parcel	Jackson County Parcel ID No.	Address	Size Ac./Sq. Ft.	Owner
1	29-810-01-25-00-0-00-000	2700-06 Troost Ave.	0.34 / 15,000	Houses Hearts & Hands, Inc. 11307 Peery Independence, MO 64054

Legal Description: BEACON HILL---N 100' OF W 150' OF E 160' BLK 10

## **Exhibit B: Property Inspection Sheet**

Property / Facility	Inspe	ction Fo	orm			Tract 1	
Date 4/	9/15				Inspector	JPotter	
City Ka	Kansas City, MO		Project/Survey Area	Alana Hotel			
Address 27	2700-2706 Troost, KCMO			0	Parcel Number	29-810-01-25-00-0-00-000	
Building Use Va	cant, fo	ormer apa	artme	ent, commercial	Building Material	Masonry, wood	
Is Property improved	х	Yes		No	Property Size	0.34 acres	
Basement:		Yes		No	# of Stories	2	





Factors	Factor Present	Comment
(99) Defective or Inadequate Street Layout	No	
(99) Deterioration of Site Improvements	Yes	Majority of site improvements are original to the complex. Facility is currently vacant. Throughout the history of the facility, it appears that limited regular maintenance/replacement of building systems including HVAC, roofing systems, and parking paving systems have occurred.
(99) Insanitary or unsafe condition	Yes	Potential environmental issues, crime, inadequate lighting. Repeated code violations.
(99) Deterioration of site improvements	Yes	Facility is approximately 87 years of age and is showing typical wear and tear of facilities that age. Lack of an ongoing maintenance program could expedite further deterioration of the property.
(99) Improper subdivision or obsolete Platting	No	
(99) Conditions which endanger life or property by fire and other causes	Yes	Due to age of facility, anticipated that some environmental issues present.

Factors	Factor Present	Comment
(99) Retard the provision of Housing Accommodations	Yes	Former apartments on 2 <sup>nd</sup> floor vacant. Limited utilities are in service.
(99) Factors which constitute an economic or social liability	Yes	Ongoing limited maintenance issues will contribute to the continued economic viability of the property.
(99) Menace to the public health, safety, morals or welfare	Yes	Due to age of facility, anticipated that some environmental issues present.
(353) Age	Yes	Facility is approximately 87 years of age, past its functional life expectancy. Lack of an ongoing maintenance program could expedite further deterioration of the property.
(353) Obsolescence	Yes	Constructed in 1928, the facility is typical of "neighborhood" retail centers of the era. Lack of an ongoing maintenance program and capital improvement program will continue to decrease the viability and attractiveness of the facility due to typical aging and facility wear and tear.
(353) Inadequate or Outmoded Design	Yes	Vehicular and pedestrian travel throughout the complex is haphazard and confusing.
(353) Physical Deterioration	Yes	Facility is approximately 87 years of age and is showing typical wear and tear of facilities that age. Lack of an ongoing maintenance program could expedite further deterioration of the property.

#### **Exhibit C: Certification**

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

- 1. The Statements of fact contained in this report are true and correct.
- 2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are 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 report, 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 report 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 report.
- 6. Jim Potter, AICP has made a personal inspection of the property that is the subject of this report on May 11, 2015.
- 7. This study is not based on a requested result or a specific conclusion.
- 8. I have not relied on unsupported conclusions relating to characteristics such as race, color, religion, national origin, gender, marital status, familial status, age, receipt of public assistance income, handicap, or an unsupported conclusion that homogeneity of such characteristics is necessary to maximize value.

James Potter, AICP, LEED GA

**Development Initiatives** 

#### **Exhibit D: Consultant Qualifications**





## Partner Profile

#### Education

MASTER OF ARCHITECTURE, UNIVERSITY OF KANSAS

B.G.S. Environmental Studies, University of Kansas

B.S. Geography, University of Kansas

#### Certifications

American Institute of Certified Planners (AICP) American Planning Association

USGBC LEED Green Associate

Kansas Licensed Real Estate Salesperson

Missouri Licensed Real Estate Salesperson

## Professional Affiliations

MEMBER, AMERICAN PLANNING ASSOCIATION (APA)

BOARD MEMBER, KC METRO SECTION, APA

MEMBER, URBAN LAND INSTITUTE (ULI)

MEMBER, APPRAISAL INSTITUTE

MEMBER, MISSOURI GROWTH ASSOCIATION

ASSOCIATE MEMBER, CERTIFIED COMMERCIAL INVESTOR MEMBER (CCIM)

Member, USGBC

James C. Potter, AICP, LEED GA

Jim is the founding partner at Development Initiatives and is responsible for instilling the firm's vision of excellence in the staff. His background has run the spectrum of urban redevelopment to community planning projects. From environmental due diligence activities to managing multi-million dollar bond projects, Jim has experience in a myriad of development functions.

Jim has degrees in Environmental Science and Geography, as well as a Master of Architecture, all from the University of Kansas. His past employment with the Kansas City Economic Development Corporation has educated Jim in the intricacies of 60 to 80 different City, State, and Federal tax incentives programs.

Since the establishment of Development Initiatives in 1999, Jim has coordinated numerous urban renewal and tax increment financing projects for countless communities across the Midwest. Jim uses his experience and relationships with local and state development officials to maximize the effectiveness of the projects he manages and the incentives sought on behalf of our clients.

Jim has yet another layer of expertise that he adds to DI's repertoire, real estate development. Potter has partnered in such notable residential projects as 4646 Broadway on the Plaza, City Homes in the River Market and the 5 Delaware Condominiums all in Kansas City.

Development Initiatives 140 Walnut, Suite 203 Kansas City, MO 64105 v. 816-916-3664 f. 816-421-2622 jpotter@di-kc.com





#### Partner Profile

#### EDUCATION

B. A., REAL ESTATE, UNIVERSITY OF ARIZONA

#### CERTIFICATIONS

CERTIFIED COMMERCIAL INVESTMENT MEMBER (CCIM)

MISSOURI REAL ESTATE BROKER

KANSAS REAL ESTATE BROKER

#### PROFESSIONAL AFFILIATIONS

MEMBER, CERTIFIED COMMERICAL INVESTMENT MEMBERS (CCIM)

MEMBER, MISSOURI GROWTH ASSOCIATION (MGA)

MEMBER, URBAN LAND INSTITUTE (ULI)

HONORS INGRAM'S MAGAZINE '40 UNDER 40'

GRADUATE OF THE CENTURIONS LEADERSHIP PROGRAM

URBAN CORE BRICK AWARD DEVELOPER RECOGNITION

#### Chris Sally, CCIM

Chris has been a partner at Development Initiatives since 2003. Chris is the firm's financial analyst. From development pro forma analysis to fiscal and economic impact analysis for taxing jurisdictions, his quantitative approach to real estate development is unparalleled.

Chris has seen all aspects of real estate development. First as the former Downtown Development Director for the Economic Development Corporation of Kansas City, he worked on over 2 billion dollars in projects to help revitalize downtown Kansas City.

Chris is also a real estate developer, specializing in boutique urban products. With his partners, Chris has developed 15 million dollars of successful new and historically renovated buildings, including 5 Delaware Condominiums, the Gallo Office Building and First and Main Lofts. Design and sustainability are cornerstones for each of his projects. In 2006 Dwell magazine featured 5 Delaware on the cover and highlighted his home in the annual 'Modern Across America' issue.

In the role of assisting clients pursuing development projects, he is most proud of the many times he has identified risk and advised clients not to pursue projects. His father, also a real estate developer, always said, "I made more money on projects I passed on than on projects I developed."

Chris has worked with many municipalities to implement master plans by identifying opportunities and assisting property owners and developers in the development process

Chris lives in Fairway, Kansas with his wife Julie and their twins, Katharine and Gibson.

Development Initiatives 140 Walnut Street, Suite 203 Kansas City, MO 64106 v. 816-808-9848 f. 816-421-2622 csally@di-kc.com

#### **DEVELOPMENT INITIATIVES, BLIGHT/CONSERVATION-PROJECT SUMMARY**

- BLIGHT ANALYSIS (353), JKV, LEE'S SUMMIT, MO
- BLIGHT ANALYSIS (TIF), SOUTH MAIN STREET TIF, JOPLIN, MO
- BLIGHT ANALYSIS (LCRA), EAST CROSSROADS, KANSAS CITY, MO
- BLIGHT ANALYSIS (TIF), MISSION FALLS, MISSION, KS
- BLIGHT ANALYSIS (353), DOWNTOWN LIBERTY RESIDENTIAL 353, LIBERTY, MO
- BLIGHT ANALYSIS (EEZ), HOLT COUNTY, MO
- BLIGHT ANALYSIS (CID), LAKEWOOD CID, LEE'S SUMMIT, MO
- BLIGHT ANALYSIS (CID), SOUTH GLENSTONE CID, SPRINGFIELD, MO
- BLIGHT ANALYSIS (353), RICHMOND, MO
- BLIGHT ANALYSIS (LCRA), 50/291, LEE'S SUMMIT, MO
- BLIGHT ANALYSIS (LCRA), LAKEWOOD BUSINESS PARK, LEE'S SUMMIT, MO
- BLIGHT ANALYSIS AND REDEVELOPMENT PLAN (PIEA), 18<sup>TH</sup> & McGEE AMENDMENT, KANSAS CITY, MO
- BLIGHT ANALYSIS (LCRA), 36<sup>TH</sup> & GILLHAM, KANSAS CITY, MO
- BLIGHT ANALYSIS (CID), NOLAND FASHION SQUARE, INDEPENDENCE, MO
- BLIGHT ANALYSIS (353), HEER'S BUILDING, SPRINGFIELD, MO
- BLIGHT ANALYSIS (TIF), VIEW HIGH GREEN, LEE'S SUMMIT, MO
- BLIGHT ANALYSIS (353), BELVOIR 353 PLAN, LIBERTY, MO
- BLIGHT ANALYSIS (TIF), BELVOIR TIF PLAN, LIBERTY, MO
- BLIGHT ANALYSIS (CID), SOUTH 63 CORRIDOR CID, CITY OF KIRKSVILLE, MO
- Conservation Analysis (TIF), Winchester, Kansas City, MO
- BLIGHT ANALYSIS (TIF), CARONDELET, KANSAS CITY, MO
- BLIGHT ANALYSIS (TIF), SUNRISE BEACH, MISSOURI
- BLIGHT ANALYSIS (353), CITY OF LEE'S SUMMIT, MISSOURI
- BLIGHT ANALYSIS (LCRA), DOWTOWN CORE, CITY OF LEE'S SUMMIT, MO
- BLIGHT ANALYSIS (LCRA), LICATA PLAN, CITY OF LEE'S SUMMIT, MO
- BLIGHT ANALYSIS (353), CITY OF LIBERTY, MISSOURI
- BLIGHT ANALYSIS-PEER REVIEW (353), GRANDVIEW, MO
- BLIGHT ANALYSIS (CID), CROSSROADS SHOPPING CENTER, LIBERTY, MO
- BLIGHT ANALYSIS (TIF), HIGHWAY Y & 58, BELTON, MO
- BLIGHT ANALYSIS(CID), LIBERTY CORNERS SHOPPING CENTER, LIBERTY, MO
- BLIGHT ANALYSIS AND REDEVELOPMENT PLAN (PIEA), VIVION CORRIDOR, KMCO
- BLIGHT ANALYSIS (TIF), SOUTH HIGHWAY 63 CORRIDOR, KIRKSVILLE, MISSOURI
- BLIGHT ANALYSIS-PEER REVIEW, (TIF), ATCHISON, MISSOURI
- BLIGHT ANALYSIS (TIF), HIGHPOINTE SHOPPING CENTER, OSAGE BEACH, MISSOURI
- BLIGHT ANALYSIS AND REDEVELOPMENT PLAN (PIEA), 39<sup>TH</sup> & STATE LINE, KCMO
- Conservation Analysis (MODESA), Lake Ozark, Missouri
- BLIGHT ANALYSIS-PEER REVIEW, (TIF), MARINA VIEW, KIRKSVILLE, MISSOURI
- Conservation Analysis (TIF), Clayton, Missouri
- BLIGHT ANALYSIS, (TIF), DOGWOOD CENTRE, KIRKSVILLE, MISSOURI
- BLIGHT ANALYSIS, (TIF), BRISCOE TIF, LAKE OZARK, MISSOURI

- BLIGHT ANALYSIS, (TIF), US 54 & BUSINESS 54, LAKE OZARK, MISSOURI
- BLIGHT ANALYSIS, (TIF), QUADRA TIF, BELTON, MISSOURI
- BLIGHT ANALYSIS AND REDEVELOPMENT PLAN (PIEA), DODSON PIEA, KCMO
- BLIGHT ANALYSIS AND REDEVELOPMENT PLAN (PIEA), CROSSROADS ARTS, KCMO
- BLIGHT ANALYSIS AND REDEVELOPMENT PLAN (PIEA), CROSSROADS AMENDMENT, KCMO
- BLIGHT ANALYSIS, (TIF), ROGERS SPORTING GOODS, LIBERTY, MISSOURI
- BLIGHT ANALYSIS, (TIF), BELTON MARKETPLACE, BELTON, MISSOURI
- Blight Analysis-Peer Review, (353), Westfield Corporation, St. Charles, Missouri
- BLIGHT ANALYSIS, (TIF), KANSAS CITY, MO SWOPE COMMUNITY BUILDERS
- CONSERVATION ANALYSIS, (TIF), LAKE LOTAWANA, MO
- BLIGHT ANALYSIS, (TIF), OSAGE BEACH, MO, OAK RIDGE LANDING DEVELOPMENT
- BLIGHT ANALYSIS, (TIF), LAKE OZARK, MO, STANTON DEVELOPMENT COMPANY
- BLIGHT ANALYSIS AND REDEVELOPMENT PLAN (PIEA), WASHINGTON 23 AMENDMENT, KCMO
- BLIGHT ANALYSIS AND REDEVELOPMENT PLAN (PIEA), FILM ROW, KCMO
- Conservation Analysis, (TIF), Kansas city, Mo, Time equities, Inc., New York, NY
- BLIGHT ANALYSIS AND REDEVELOPMENT PLAN (PIEA), VALENTINE/BROADWAY, KCMO
- BLIGHT ANALYSIS AND REDEVELOPMENT PLAN (PIEA), WASHINGTON 23, KCMO
- BLIGHT ANALYSIS AND REDEVELOPMENT PLAN (PIEA), BOULEVARD BREWING COMPANY, KCMO
- BLIGHT ANALYSIS (TIF), OZARK DIVERSIFIED DEVELOPERS, BRANSON, MO
- BLIGHT ANALYSIS (TIF), McCown Gordon Construction, KCMO
- BLIGHT ANALYSIS AND REDEVELOPMENT PLAN (PIEA), LEVITT ENTERPRISES, KCMO
- BLIGHT ANALYSIS AND REDEVELOPMENT PLAN (PIEA), TIME EQUITIES, NY, NY
- BLIGHT ANALYSIS AND REDEVELOPMENT PLAN (PIEA), URBAN COEUR DEVELOPMENT, KCMO
- BLIGHT ANALYSIS (TIF), HOSPITALITY MANAGEMENT ASSOC., LINCOLN, NE
- BLIGHT ANALYSIS (TIF), HUSCH & EPPENBERGER, LLC, KANSAS CITY, MO
- BLIGHT ANALYSIS AND REDEVELOPMENT PLAN (PIEA), KANSAS CITY NEIGHBORHOOD ALLIANCE, KCMO
- BLIGHT ANALYSIS (TIF), KING HERSHEY, ATTORNEYS AT LAW, KCMO
- BLIGHT ANALYSIS (TIF), LATHROP & GAGE, ATTORNEYS AT LAW, KCMO
- BLIGHT ANALYSIS (TIF), POLSINELLI SHALTON WELTE, ATTORNEYS AT LAW, KANSAS CITY, MO
- BLIGHT ANALYSIS AND REDEVELOPMENT PLAN (PIEA), COMPASS ENVIRONMENTAL, CHICAGO, ILLINOIS
- BLIGHT ANALYSIS (TIF), DST REALTY, KANSAS CITY, MO
- BLIGHT ANALYSIS AND REDEVELOPMENT PLAN (PIEA) MCZ CENTRUM, CHICAGO, ILLINOIS
- BLIGHT ANALYSIS AND REDEVELOPMENT PLAN (PIEA) UNION HILL DEVELOPMENT, KCMO
- BLIGHT STUDY AND ANALYSIS (TIF), GRAIN VALLEY, MISSOURI, WARD DEVELOPMENT COMPANY
- BLIGHT STUDY AND ANALYSIS, PERSHING STATION PARTNERS, KANSAS CITY, MISSOURI