REVISED
PIONEER PLAZA
TAX INCREMENT FINANCING PLAN

KANSAS CITY, MISSOURI

TIF COMMISSION APPROVAL:

____
DATE: **RESOLUTION NO.**

CITY COUNCIL APPROVAL:

____
DATE: **ORDINANCE NO.**

TABLE OF CONTENTS

Page

EXHIBITS

I. <u>SUMMARY</u>

The Pioneer Plaza Tax Increment Financing Plan (the "Plan") provides for the acquisition and demolition of an existing vacant retail building and the construction of an approximately 48,500 square-foot full service grocery store, including a pharmacy, development of a fast food pad site, and other necessary site improvements, including the construction of a new surface parking lot that will include new lighting, signage and repair of any concrete or asphalt. The Plan further provides for the construction or reconstruction of such other public infrastructure improvements, which may consist of signage, signaling, sidewalks and curbs and such other related pubic infrastructure improvements that support and enhance the Project Improvements (collectively, the "Project Improvements and Public Improvements"). The proposed redevelopment area described by the Plan is generally located at the southwest corner of the intersection of Bannister Road and Hillcrest and is approximately 7.5 acres in size. The proposed redevelopment area is a contiguous area that is generally bound by: Bannister Road on the north, Hillcrest Road on the east, E. 96th Place on the south and Drury Avenue on the west, in Kansas City, Jackson County, Missouri (the "Redevelopment Area").

The total cost to implement the Project Improvements and Public Improvements is estimated to be $24,283,397, which is provided in detail on **<u>Exhibit 5</u>** to the Plan. The Redeveloper, through a combination of equity, the proceeds from the sale of new market tax credits, and from conventional debt will finance $7,826,950. Tax Increment Financing and Additional City EATs will be utilized to reimburse up to $14,927,572 of the Redevelopment Project Costs and CID Sales Tax Revenue, which shall not be redirected by virtue of Tax Increment Financing, will be utilized to reimburse the remaining $1,528,875 of Redevelopment Costs. The Redevelopment Project Costs, including those that are reimbursable, are identified on **<u>Exhibit 5</u>**, attached to this Plan.

The total initial equalized assessed valuation of the Redevelopment Area according to 2019 tax records at the Jackson County Assessor's Office is approximately $417,896. The current combined ad valorem property tax levy is projected to be $7.8368 per $100 assessed valuation. Following the completion of all Project Improvements and Public Improvements, it is estimated that the assessed value of the real property within the Redevelopment Area will increase to approximately $6,300,000.

Pursuant to the Act, Tax Increment Financing allows for the use of Economic Activity Taxes and Payments in Lieu of Taxes generated and collected within the Redevelopment Project Areas for a twenty-three (23) year period to pay Reimbursable Project Costs.

The estimated total Payments in Lieu of Taxes (PILOTs) generated within the Redevelopment Project Areas and deposited into the Special Allocation Fund is approximately $4,920,965 of which approximately $3,690,724 (which represents approximately 75% of PILOTs generated within the Redevelopment Project Area) will be available to pay Reimbursable Project Costs. The remaining 25% of the PILOTs (approximately $1,230,241) generated within the Redevelopment Project Areas (the "PILOT Surplus" shall be declared surplus and shall be remitted annually to the Taxing

Districts in accordance with the Act. The PILOTs, which are estimated to be generated on an annual basis, are shown on **Exhibit 6**, attached to this Plan.

The estimated total Economic Activity Taxes generated within the Redevelopment Project Areas and deposited into the Special Allocation Fund and, upon annual appropriation or upon being budgeted and transferred by the City Council, available to pay Reimbursable Project Costs is approximately $8,710,740, all of which may be used to reimburse eligible Redevelopment Project Costs. Those Economic Activity Taxes, which are estimated to be generated on an annual basis, are shown on **Exhibit 6**, attached to this Plan and are limited to 50% of the net earnings taxes paid by businesses and employees, 50% of the net food & beverage taxes, 50% of the net utility taxes, 50% of the community improvement district as well as 50% of certain City and County net sales taxes generated and collected. Any PILOTs and Economic Activity Taxes that exceed the amount necessary to reimburse eligible Reimbursable Project Costs may be declared surplus by the City and distributed to the affected Taxing Districts.

The estimated Additional City EATS (as hereafter defined), subject to appropriation by the City Council, will be available to pay Reimbursable Project Costs. The Additional City EATS will not exceed $2,526,108.

The estimated CID Sales Tax Revenue, which is not redirected by virtue of Tax Increment Financing, that will be available to pay Redevelopment Project Costs related to the Project Improvements and Public Improvements, is approximately $1,528,875 as more specifically set forth on **Exhibit 6.**

II. DEFINITIONS

As used in this Tax Increment Financing Plan, the following terms shall have the following meanings:

A. "Act," the Real Property Tax Increment Allocation Redevelopment Act, Section 99.800, et. seq., Revised Statutes of Missouri, as amended.

B. "Additional City EATS," An amount equal to (1) 50% of all retail sales taxes imposed by the City and generated in the Redevelopment Project Areas, but excluding those portions derived from each of the following: (a) the City's 0.4625% public mass transit tax, pursuant to Section 68-471 of the City's Code of Ordinances (or any successor provision thereto), (b) the City's 0.4125% KCATA tax, pursuant to Section 68-475 of the City's Code of Ordinances (or any successor provision thereto), (c) the City's 0.5000% parks tax, pursuant to Section 68-448 of the City's Code of Ordinances (or any successor provision thereto), (d) the City's 0.125% Central City Economic Development sales tax, pursuant to Section 68-449 of the City's Code of Ordinances (or any successor provision thereto) and (e) the City's 0.5% fire tax, pursuant to 68-444 of the City's Code of Ordinances (or any successor provision thereto.

C. “Affiliate,” as applied to any person or entity, any other person or entity who controls, is controlled by, or is under common control with, such person or entity. For purposes of this definition, “control” means the possession, directly or indirectly through one or more intermediaries, of the power to direct the management and policies of a person or entity, whether through the ownership of equity interests, by contract, or otherwise; provided, however, that (a) any person or entity which owns directly or indirectly a majority of the equity interests having ordinary voting power for the election of directors or other members of the governing body of a person or entity or a majority of the partnership or other ownership interests of a person or entity (other than as a limited partner of such person or entity) shall be deemed an Affiliate of such person or entity, and (b) each partnership in which a person or entity is a general partner shall be deemed an Affiliate of such person or entity.

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

E. “CID,” a Community Improvement District, established as a political subdivision of the State of Missouri for the purpose of paying a portion of the Reimbursable Project Costs.

F. “CID Administrative Costs,” the overhead costs of the CID including without limitation the following: (1) reimbursement of the Board of Directors for actual expenditures incurred in the performance of authorized duties on behalf of CID, (2) costs related to any authorized indebtedness of the CID, and (3) any other costs or expenses incurred by the CID in the exercise of the powers granted under Sections 67.1401 to 67.1571, inclusive, of the Revised Statutes of Missouri, as amended, including accounting, auditing, legal, insurance, and clerical support, as determined by the CID’s Board of Directors, which is not expected to exceed 8% of the CID Sales Tax generated and collected per fiscal year.

G. “CID Sales Tax Revenue,” the one percent (1%) sales and use tax levied by the CID and approved by the voters in the CID and a resolution of the Board of Directors of the CID and levied pursuant to Section 67.1545 of the Revised Statutes of Missouri, as amended, on all retail sales made within the CID that are subject to taxation pursuant to Section 144.010 to 144.525 of the Revised Statutes of Missouri, as amended, except sales of motor vehicles, trailers, boats or outboard motors, and sales to public utilities, 50% of the proceeds of which the CID (except for the CID Administrative Costs) will transfer to the Commission to be used to pay a portion of the Reimbursable Project Costs, subject to annual appropriation of the Board of Directors of the CID.

H. “City,” City of Kansas City, Missouri.

I. “Commission,” the Tax Increment Financing Commission of Kansas City, Missouri

J. “Economic Activity Taxes,” fifty percent (50%) of the total additional revenue from taxes which are imposed by the City or other Taxing Districts, and which are generated by economic activities within the Redevelopment Project Area, over the amount of such taxes generated by economic activities within the Redevelopment Project Area in the calendar year prior to the adoption of the Redevelopment Project by Ordinance, while tax increment financing remains in effect, but excluding personal property taxes, taxes imposed on sales or charges for sleeping rooms paid by transient guests of hotels and motels, taxes levied pursuant to section 70.500, taxes levied for the purpose of public transportation pursuant to section 94.660, taxes imposed on sales pursuant to subsection 2 of section 67.1712 for the purpose of operating and maintaining a metropolitan park and recreation district, licenses, fees or special assessments other than payments in lieu of taxes and penalties and interest thereon, any sales tax imposed by a county with a charter form of government and with more than six hundred thousand but fewer than seven hundred thousand inhabitants, for the purpose of sports stadium improvement or levied by such county under section 238.410 for the purpose of the county transit authority operating transportation facilities, taxes imposed on sales under and pursuant to section 67.700 or 650.399 for the purpose of emergency communication systems and such other taxes that may be excluded by State law from time to time; provided, however, if the voters in a Taxing District vote to approve an increase in such Taxing District’s sales tax or use tax, other than the renewal of an expiring sales or use tax, any additional revenues generated within the Redevelopment Project Area that are directly attributable to the newly voter-approved incremental increase in such taxing district’s levy rate shall not be considered “Economic Activity Taxes”, without the consent of such Taxing District. For redevelopment projects or redevelopment plans approved after December 23, 1997, if a retail establishment relocates within one (1) year from one facility to another facility within the same county and the governing body of the municipality finds that the relocation is a direct beneficiary of tax increment financing, then for purposes of this definition the economic activity taxes generated by the retail establishment shall equal the total additional revenues from economic activity taxes which are imposed by a municipality or other taxing district over the amount of economic activity taxes generated by the retail establishment in the calendar year prior to its relocation to such redevelopment project area

K. “Equity Investment,” the total accumulated sums reflected as equity on the Redeveloper’s financial statements (including, but not limited to its Balance Sheet) submitted in connection with the “Public Participation” provisions of the Redevelopment Agreement as being expended by the Redeveloper or any other non-governmental party that is an Affiliate of the Redeveloper in connection with any and all aspects of the Project Improvements and Public Improvements, including but not limited to any and all costs, including financing costs incurred by the Redeveloper, private loan interest, expenses or investments made by the Redeveloper or any such non-governmental Affiliate prior to or subsequent to the date of this Plan and incurred by Redeveloper or any such non-governmental party that is an Affiliate of the Redeveloper in connection with the acquisition of any property in the Redevelopment Area, due diligence, leasing, marketing, formation of entities, construction and implementation of the Project Improvements, including the principal amount of any subordinate Obligations so long as Redeveloper, or its Affiliates, is the owner or guarantor of such subordinate Obligations, commercial financing and any additional capital contributions made by Redeveloper or such non-governmental party that is an Affiliate of the Redeveloper.

L. "Gambling Establishment," an excursion gambling boat as defined in section 313.800, RSMo., and any related business facility including any real property improvements which are directly and solely related to such business facility, whose sole purpose is to provide goods or services to an excursion gambling boat and whose majority ownership interest is held by a person licensed to conduct gambling games on an excursion gambling boat or licensed to operate an excursion gambling boat as provided in Sections 313.800 to 313.850, RSMo.

M. "Obligations," bonds, loans, debentures, notes, special certificates, or other evidences of indebtedness issued by the City, Commission or by any other appropriate issuer, approved by the City and Commission, to pay or reimburse all or any portion of the Redevelopment Project Costs or to otherwise carry out a redevelopment project or to fund outstanding obligations.

N. "Ordinance," an ordinance enacted by the governing body of the City.

O. "Payment in Lieu of Taxes," revenues from real property taxes generated within the Redevelopment Project Area which are to be used to reimburse the Redevelopment Project Costs identified by the Plan, which Taxing Districts would have received had the City not adopted tax increment allocation financing, and which result from levies made after the time of the adoption of tax increment allocation financing within the Redevelopment Project Area that is approved by Ordinance (but excluding the blind pension fund tax levied under the authority of Article III, Section 38(b) of the Missouri Constitution and the merchant's and manufacturer's inventory replacement tax levied under the authority of subsection 2 of Section 6 of the Missouri Constitution) and during the time the current equalized value of real property in the Redevelopment Project Area exceeds the Total Initial Equalized Assessed Value of real property in the Redevelopment Project Area, until the designation is terminated pursuant to the Act, provided however, if the voters in a Taxing District vote to approve an increase in such Taxing District's levy rate for ad valorem tax on real property, any additional revenues generated within the Redevelopment Project Area that are directly attributable to the newly voter-approved incremental increase in such Taxing District's levy rate shall not be considered Payments in Lieu of Taxes without the consent of such Taxing District. Revenues will be considered directly attributable to the newly voter-approved incremental increase to the extent that they are generated from the difference between the taxing district's actual levy rate currently imposed and the maximum voter-approved levy rate at the time that the Redevelopment Project was adopted.

P. "PILOT Surplus," 25% of the annual PILOTs generated within the Redevelopment Project Area.

Q. "Project 1 Improvements," the construction of an approximately 48,500 square-foot full service grocery store, including a pharmacy, and other necessary site improvements, including the construction of a new surface parking lot.

R. "Project 2 Improvements," the development of a fast food pad site.

S. "Project Improvements and Public Improvements," the Project 1 Improvements and the Project 2 Improvements, such other public infrastructure improvements, which may consist of streetscape, signage, signaling, sidewalks and curbs and such other related pubic infrastructure improvements that support and enhance the Project 1 Improvements and Project 2 Improvements.

T. "Redeveloper," the business organization or other entity designated by the Commission, pursuant to a resolution, and to which the Commission enters a Redevelopment Agreement to implement the Redevelopment Plan or the Project Improvements or a portion thereof.

U. "Redevelopment Agreement," the agreement between the Commission and Redeveloper for the implementation of the Redevelopment Plan or the Project Improvements and Public Improvements or a portion thereof.

V. "Redevelopment Area," an area designated by Ordinance of the City, in respect to which the City has made a finding that there exist conditions which cause the area to be classified as a conservation area, which area includes only those parcels of real property directly and substantially benefitted by the proposed Redevelopment Projects and which is legally described on **Exhibit 1A**.

W. "Redevelopment Plan" or "Plan," the Pioneer Plaza Tax Increment Financing Plan, as it may be amended from time to time.

X. "Redevelopment Projects," any redevelopment project that is identified on **Exhibit 1B** that (1) is intended to further the objectives of the Redevelopment Plan (2) contains a legal description, and (3) is approved by an Ordinance of the City.

Y. "Redevelopment Project Areas," the areas selected for the Redevelopment Projects and which are legally described on **Exhibit 1B**.

Z. "Redevelopment Project Costs" include the sum total of all reasonable or necessary costs incurred or estimated to be incurred, any such costs incidental to the Redevelopment Plan and/or a Redevelopment Project. Such costs are identified on **Exhibit 5** and may include, but are not limited to the following:

1. Costs of studies, surveys, plans and specifications;

2. Professional service costs, including, but not limited to, architectural, engineering, legal, marketing, financial, planning or special services. Except the reasonable costs incurred by the commission established in section 99.820 for the administration of sections 99.800 to 99.865, such costs shall be allowed only as an initial expense which, to be recoverable, shall be included in the costs of the Redevelopment Plan or a Redevelopment Project;

3. Property assembly costs, including but not limited to, acquisition of land and other property, real or personal, or rights or interests therein, demolition of buildings, and the clearing and grading of land;

4. Costs of rehabilitation, reconstruction, repair or remodeling of existing buildings and fixtures;

5. Cost of construction of public works or improvements;

6. Financing costs, including, but not limited to all necessary and incidental expenses related to the issuance of Obligations, and which may include payment of interest on any Obligations issued hereunder accruing during the estimated period of construction of any Redevelopment Project for which such Obligations are issued and for not more than eighteen months thereafter, and including reasonable reserves related thereto;

7. All or a portion of a taxing district's capital cost resulting from the Redevelopment Project necessarily incurred or to be incurred in furtherance of the objectives of the Redevelopment Plan and Redevelopment Project, to the extent the municipality by written agreement accepts and approves such costs;

8. Relocation costs to the extent that the City determines that relocation costs shall be paid or are required to be paid by federal or state law; and

9. Payments in lieu of taxes.

AA. "Reimbursable Project Costs," Redevelopment Project Costs in an amount not to exceed Fourteen Million Nine Hundred Twenty-Seven Thousand Five Hundred Seventy-Two Dollars $14,927,572 that are identified on **Exhibit 5**, under the column "TIF Budget").

BB. "Special Allocation Fund," the fund maintained by the City or the Commission, as the case may be, which contains at least two (2) separate segregated accounts for each Redevelopment Project and any additional accounts deemed appropriate by the City and Commission (i.e. TIF Revenue Account, Additional City EATS and CID Sales Tax Revenue) and maintained by the treasurer of the City or the treasurer of the Commission into which Payments in Lieu of Taxes, Economic Activity Taxes and other revenues are deposited.

CC. "Tax Increment Financing," tax increment allocation financing as provided pursuant to Chapter 99.800, et seq. RSMo.

DD. "Taxing Districts," any political subdivision of Missouri located wholly or partially within the Redevelopment Project Area having the power to levy taxes.

EE. "TIF Revenue," Payments in Lieu of Taxes and Economic Activity Taxes.

III. TAX INCREMENT FINANCING

This Plan is adopted pursuant to the Act. The Act enables municipalities to finance Redevelopment Project Costs with the revenue generated from Payments in Lieu of Taxes and Economic Activity Taxes.

IV. GENERAL DESCRIPTION OF THE REDEVELOPMENT PROGRAM

A. The Redevelopment Plan. The Redevelopment Plan provides for the construction of an approximately 48,500 square-foot full service grocery store, including a pharmacy, and other necessary site improvements, including the construction of a new surface parking lot that will include new lighting, signage and repair of any concrete or asphalt (the "Project 1 Improvements") and the development of a fast food pad site (the "Project 2 Improvements"), as depicted on **Exhibit 2B**, and for the construction of such other public infrastructure improvements, which may consist of signage, signaling, sidewalks and curbs and such other related pubic infrastructure improvements that support and enhance the Project 1 Improvements and the Project 2 Improvements (collectively the "Project Improvements and Public Improvements"). Such Project Improvements and Public Improvements are anticipated to be completed by September 2021. The Plan further provides that $14,927,572 (approximately 61.5%) of the $24,283,397 of Redevelopment Project Costs are eligible for reimbursement.

B. Redevelopment Area. The Redevelopment Area described by the Plan and Redevelopment Project is a non-contiguous area that is generally bound by Bannister Road on the north, Hillcrest Road on the east, E. 96th Place on the south and Drury Avenue on the west, in Kansas City, Jackson County, Missouri (the "City"), as legally described on **Exhibit 1A** (the "Redevelopment Area").

C. The Project Improvements and Public Improvements. The improvements contemplated by the Plan consist of the construction of an approximately 48,500 square-foot full service grocery store, including a pharmacy, and other necessary site improvements, including the construction of a new surface parking lot that will include new lighting, signage and repair of any concrete or asphalt (the "Project 1 Improvements") and the development of a fast food pad site (the "Project 2 Improvements"), as depicted on **Exhibit 2B**. The Plan further provides for the construction of such other public infrastructure improvements, which may consist of streetscape, signage, signaling, sidewalks and curbs and such other related pubic infrastructure improvements that support and enhance the Project 1 Improvements and the Project 2 Improvements (the "Public Improvements").

D. Redevelopment Projects. The legal descriptions for Redevelopment Project Area 1 and Redevelopment Project Area 2 are each set forth on **Exhibit 1B** and each shall be approved by Ordinance as required by the Act. A Site Plan generally depicting the location of the Project Improvements and Public Improvements is attached as **Exhibit 2A**. Estimated construction and employment information for the Project Improvements are set forth on **Exhibits 4A and 4B**.

E. Estimated Date of Completion. The estimated date for completion of the Project Improvements and Public Improvements located within the Redevelopment Area is set forth on **Exhibit 8**. The completion of the Project Improvements and Public Improvements located within the Redevelopment Project and retirement of Obligations incurred to finance Redevelopment Costs will occur no later than twenty-three (23) years from the adoption of the ordinance approving the Redevelopment Project.

F. Date to Adopt Redevelopment Project and to Acquire Property by Eminent Domain. In no event shall any ordinance approving a Redevelopment Project be adopted later than ten (10) years from the adoption of the ordinance approving this Redevelopment Plan and no property for the Redevelopment Project shall be acquired by eminent domain later than five (5) years from the adoption of the Ordinance approving the Redevelopment Project.

G. Redevelopment Plan Objectives. The specific objectives of the Redevelopment Plan are set forth in **Exhibit 3**.

H. Gaming Status. The Redevelopment Plan does not include the initial development or redevelopment of any Gambling Establishment.

V. FINANCING

A. Estimated Redevelopment Project Costs. The total cost to implement the Project Improvements and Public Improvements is estimated to be $24,283,397, which is provided in detail on **Exhibit 5**. The Redeveloper and third parties will finance $7,826,950 through a combination of equity, the proceeds from the sale of new market tax credits and conventional debt. Tax Increment Financing and Additional City EATS will be utilized to reimburse up to $14,927,572 of the Redevelopment Project Costs and CID Sales Tax Revenue, which are not redirected pursuant to Tax Increment Financing, will be utilized to reimburse the remaining $1,528,875 of Redevelopment Project Costs. The estimated Redevelopment Project Costs to be reimbursed from the Special Allocation Fund are identified on **Exhibit 5**.

The City has determined that certain planning and special services expenses of the Commission, which are not direct Redevelopment Project Costs, but are nonetheless reasonable, necessary and incidental Reimbursable Project Costs to the Plan. Such incidental costs will be recovered by the Commission or the City, as the case may be, from the Special Allocation Fund in an amount equal to 5% of the Payments in Lieu of Taxes and Economic Activity Taxes paid annually into the Special Allocation Fund.

B. Anticipated Sources of Funds. Redeveloper will acquire all necessary properties and construct the Project Improvements and Public Improvements through the use of private capital in the form of equity, the proceeds from the sale of new market tax credits, and conventional debt. Anticipated sources and amounts of funds to pay Redevelopment Project Costs are shown on **Exhibit 7**. A letter of interest for a construction loan is attached as **Exhibit 12**.

C. Payments in Lieu of Taxes. Calculations of expected proceeds of Payments in Lieu of Taxes are based on current real property assessment formulas and current and anticipated property tax rates, both of which are subject to change due to many factors, including reassessment, the effects of real property classification for real property tax purposes, and the rollback in tax levies resulting from reassessment or classification. The estimated total Payments in Lieu of Taxes generated within the Redevelopment Area during such period that Tax Increment Financing is approximately $4,920,965 of which approximately $3,690,724 (which represents approximately 75% of PILOTs generated within the Redevelopment Project Area) will be available to pay Reimbursable Project Costs. The remaining 25% of the PILOTs (approximately $1,230,241) generated within the Redevelopment Project Areas (the "PILOT Surplus") shall be declared surplus and shall be remitted annually to the Taxing Districts in accordance with the Act. Those Payments in Lieu of Taxes are shown on **Exhibit 6**. Any Payments in Lieu of Taxes that exceed the amount necessary for such reimbursement shall be declared surplus and shall be available for distribution to the various Taxing Districts in the Redevelopment Project Area in the manner provided by the Act.

D. Economic Activity Taxes. The projected Economic Activity Taxes to be deposited in the Special Allocation Fund, in accordance with the Act, during the period Tax Increment Financing is authorized are approximately $8,710,740, as shown in **Exhibit 6**, all of which will be made available, upon annual appropriation or upon being budgeted and transferred by the City to the Special Allocation Fund, to pay eligible reimbursable Redevelopment Project Costs.

The anticipated Economic Activity Taxes to pay eligible Redevelopment Project Costs shall be limited to 50% of the net earnings taxes paid by businesses and employees, 50% of the net food & beverage taxes, 50% of the net utility taxes, as well as 50% of certain City and County sales taxes generated during the period Tax Increment Financing is authorized. It is assumed that net earnings and sales tax revenues will increase due to inflation at a rate of 1 % per year, in addition to the assumed increases due to job creation and business expansion. These assumed increases are reflected in **Exhibit 6**.

The amount of Economic Activity Taxes in excess of the amount necessary to reimburse eligible Redevelopment Project Costs, if any, may be declared as surplus by the City. The declared surplus will be distributed to the affected Taxing Districts in the Redevelopment Project Areas as provided for by the Act.

The Plan requires that all affected businesses and property owners be identified and that the Commission shall be provided with documentation regarding payment of Economic Activity Taxes by Redeveloper, its contractors, tenants and assigns. The Commission shall make available information to the City regarding the identity and location of the affected businesses. It shall be the obligation and intent of the City to determine the Economic Activity Taxes and to appropriate and/or budget and transfer such funds into the Special Allocation Fund, no less frequently than semi-annually and no more frequently than quarterly, in accordance with the Act.

E. CID Sales Tax Revenue. The projected CID Sales Tax Revenues, which are not redirected as Economic Activity Taxes, which are estimated to be collected by the CID and, subject to appropriation by the CID, utilized to fund Redevelopment Project Costs is estimated to be $1,528,875.

F. Additional City EATS The projected Additional City EATS, that are estimated to be collected and redirected by the City, subject to appropriation by the City, and utilized to fund Reimbursable Project Costs is estimated to be $2,526,108.

G. Evidence of Commitments to Finance. Commitments for any private financing of Redevelopment Project Costs necessary to complete the Project Improvements Public Improvements shall be approved by the Commission prior to the approval of the Ordinance approving the Redevelopment Project. A letter of interest for a construction loan is attached as Exhibit 12.

VI. MOST RECENT EQUALIZED ASSESSED VALUATION

The total initial equalized assessed valuation of the Redevelopment Area according to 2019 records at the Jackson County Assessor’s Office is approximately $721,892. The current combined ad valorem property tax levy is projected to be $7.8368 per $100 assessed valuation. Following the completion of all Project Improvements, it is estimated that the assessed value of the property will increase to approximately $6,300,000.

The Total Initial Equalized Assessed Valuation of the Redevelopment Area will be determined prior to the time the Redevelopment Project is approved by Ordinance.

Payments in Lieu of Taxes measured by subsequent increases in property tax revenue which would have resulted from increased valuation had Tax Increment Financing not been adopted will be segregated from taxes resulting from the Total Initial Equalized Assessed Valuation as defined herein, and deposited in the Special Allocation Fund for payment of eligible Redevelopment Project Costs.

VII. ESTIMATED EQUALIZED ASSESSED VALUATION AFTER REDEVELOPMENT

It is anticipated that when the Project Improvements and Public Improvements have been completed, the total assessed valuation of the Redevelopment Area will increase. The estimated increase in assessed valuation and the resulting Payments in Lieu of Taxes are shown in **Exhibit 6**.

VIII. GENERAL LAND USE

The Plan identifies properties to be redeveloped for retail commercial use. The Redevelopment Area is currently zoned Urban Redevelopment ("UR"), and any modifications to the existing UR zoning will be made as the Plan is being considered. It is anticipated the UR zoning case will be heard in Summer 2020. The Redevelopment Project shall be subject to the applicable provisions of the City's Zoning Ordinance, as well as other codes and ordinances, as may be amended from time to time.

IX. CONFORMANCE TO THE COMPREHENSIVE PLAN

The Plan conforms with the FOCUS Plan as well as the Hickman Mills Area Plan.

X. EXISTING CONDITIONS IN THE REDEVELOPMENT AREA

The Redevelopment Area qualifies as a Blighted Area by reason of defective or inadequate street layout, insanitary or unsafe conditions, deterioration of site improvements, improper subdivision or obsolete platting and the existence of conditions which endanger life by fire or other causes and is detrimental to the public health, safety, morals, or welfare, as more particularly described by an independent Blight Study undertaken by JLL Valuation and Advisory Services, LLC, attached as **Exhibit 11**.

XI. "BUT FOR TIF"

Substantial public financing of the Project Improvements is identified within the Plan. This assistance is necessary to ensure successful redevelopment of the Redevelopment Area in order to serve the public purpose set forth herein. The purpose of affording public assistance is to accomplish the stated public purpose and not to subsidize otherwise economically viable Project Improvements and Public Improvements. In order to ensure that the public assistance being provided does not subsidize an unreasonable level of earnings, the Commission has required an internal rate of return analysis be completed and presented to the Commission prior to approval of the Redevelopment Plan. The analysis demonstrates that the Redevelopment Area has not been subject to growth and development by private enterprise and the Project Improvements and Public

Improvements within the Redevelopment Area would not reasonably be anticipated to be developed without the adoption of Tax Increment Financing (the “But-For Test”).

Acceptable investment returns to real estate investors depend on a large number of external factors and the nature of the specific investment, including, the property sector of land use; the life cycle of the property; local market conditions such as new development, major employers and their plans, demographics and the like; the overall risk associated with the property; inflation expectations, and numerous other factors. One method of determining the need for assistance and the sizing of the Tax Increment Financing assistance is to study the developer’s internal rate of return (“IRR”). The internal rate of return takes into account both the annual income derived as cash flow as well as the potential return from a hypothetical sale of the private improvements at the end of the forecast period.

The Redevelopment Agreement shall contain provisions whereby the public may participate in the cumulative rate of return of the Equity Investment of the Redeveloper or any Affiliate of the Redeveloper that participates in the acquisition, financing or operation of the Project Improvements or the real property upon which the Project Improvements are located that is in excess of a 7.7% unleveraged annual rate of return on a cumulative basis. The Redevelopment Agreement shall provide if at the end of any calendar year, after completion of all of the Project Improvements, the net cash flow exceeds the cash flow necessary to generate said cumulative 7.7 % unleveraged annual return on the Equity Investment for the current and all previous calendar years, 31% of such excess shall be retained by the Redeveloper and the remaining 68% of such excess shall be contributed to the Commission (the “Commission Share”) which shall be used in accordance with the Act.

In the event that any Project Improvement is refinanced or sold, once all cost of the sale or refinancing have been paid, the private debt retired, the Redeveloper’s Equity Investment is returned, the Commission shall receive the Commission Share of such residual proceeds that are in excess of a 7.7% unleveraged annual rate of return on a cumulative basis of the Redeveloper and its Affiliates of the total amount of Redevelopment Project Costs.

The “But For” analysis prepared by Baker Tilly Municipal Advisors (“Baker Tilly”) and attached as **Exhibit 10** concludes that the Project Improvements contemplated by the TIF Plan may not be implemented without TIF assistance, as the Project Improvements achieve an unleveraged return of -7.59% based upon the Redevelopment Project Costs set forth in Redeveloper’s budget. Baker Tilly’s analysis provides a number of recommendations for consideration concerning certain costs and other elements of the Project, and, based upon changes in costs, ultimately recommends undiscounted TIF assistance of $9,006,392 (Net Present Value) to achieve a return in the market range. Baker Tilly projects that, with its recommended revenue and cost adjustments, the Project Improvements are estimated to achieve a stabilized -7.59% unleveraged internal rate of return without assistance. With the Developer’s original request of approximately $9,006,392 (Net Present Value) in requested undiscounted TIF assistance, Baker Tilly estimates the Project Improvements would achieve an unleveraged annual rate of return of approximately 6.66%. Baker Tilly further suggests that the industry benchmark for the type of investment proposed by the Project Improvements should result in an unleveraged return between 5.50% and 11.0%, with an average of 7.7%. The calculations are based on developer assumptions or in certain instances alternative assumptions Baker Tilly deems are appropriate.

Baker Tilly has indicated that, if the Redevelopment Project Costs set forth in Redeveloper's budget were used, then the Project Improvements would require the utilization of economic activity taxes, and 75% of the PILOTs for a period of 23 years to achieve the stated returns.

The analysis prepared by Baker Tilly and attached as **Exhibit 10** concluded the Project Improvements contemplated by the Plan meet the "But-For Test" and supports a finding that the Redevelopment Area has not been subject to growth and development through investment by private enterprise as demonstrated in part by the Developer Affidavit, attached as **Exhibit 14**, and would not reasonably be anticipated to be developed without the adoption of tax increment financing due to the substantial costs of the Redevelopment Project. **Exhibit 10** provides evidence of the "But-For Test" analysis conducted for these Project Improvements.

XII. COST-BENEFIT ANALYSIS

A cost-benefit analysis has been prepared for the Plan that demonstrates the economic impact of the Plan on each Taxing District. This analysis and other evidence submitted to the Commission describe the impact on the economy if the Project Improvements are not built and is built pursuant to the Plan. The Cost-Benefit Analysis, attached on **Exhibit 9**, includes a fiscal impact study on every affected Taxing District and sufficient information from the Redeveloper for the Commission to evaluate whether the Project Improvements are financially feasible.

XIII. ACQUISITION AND DISPOSITION

The Commission, pursuant to Sections 99.810(3) and 99.820(3), RSMo, may acquire property by purchase, donation, lease or eminent domain in the manner provided for by corporations in Chapter 523, RSMo. The property acquired by the Commission may be cleared, and either (1) sold or leased for private redevelopment or (2) sold, leased, or dedicated for construction of public improvements or facilities. No property located within a Redevelopment Project Area shall be acquired by eminent domain later than five (5) years from adoption of the Ordinance designating such Redevelopment Project Area. The Plan does not contemplate that any properties, except for the property legally described in **Exhibit 1A**, which is currently under contract, will be acquired in connection with the implementation of the Plan.

XIV. RELOCATION ASSISTANCE PLAN

Relocation assistance will be available to all eligible displaced occupants in conformance with the Commission's Relocation Assistance Plan as shown in **Exhibit 13** or as may be required by other state or federal laws. Any relocation will be at the expense of the Redeveloper.

XV. ENTERPRISE ZONE

In the event mandatory abatement is sought or received pursuant to Section 135.215, RSMo., as amended, such abatement shall not serve to reduce payments in lieu of taxes that would otherwise have been available pursuant to Section 99.845, RSMo. without City approval. Said designation shall not relieve the assessor or other responsible official from ascertaining the amount of equalized assessed valuation of all taxable property annually as required by Section 99.855, RSMo.

XVI. PROVISION OF PUBLIC FACILITIES

Redeveloper will provide and maintain all necessary public facilities and utilities to service the Redevelopment Area.

XVII. REDEVELOPMENT AGREEMENT

Upon approval of this Plan, the Commission and Redeveloper will enter into a Redevelopment Agreement, which will include, among other things, provisions relative to the following:

1. Implementation of the Plan;
2. Reporting of Economic Activity Taxes;
3. The Commission's Work Force Policy;
4. The City's MBE/WBE Ordinance;
5. Design guideline review and approval process;
6. The Commission's Relocation Plan, if any;
7. Certification and approval by Commission of Redevelopment Project Costs;
8. Public participation in return on Equity Investment in excess of a 7.7% unleveraged IRR;
9. Payment of Prevailing Wages;
10. Certification of Costs and Reimbursement Policy;
11. Certificate of Completion and Compliance Policy:
12. Parameters for the issuance of Obligations;

13. Interest Policy;

14. Annual Progress Reporting;

15. Procedures for the Payment of Prevailing Wages; and

16. Environmental Policy.

XVIII. PROVISIONS FOR AMENDING THE PLAN

This Redevelopment Plan and Redevelopment Projects may be amended pursuant to the provisions of the Act, except in the event that there are minor inaccuracies contained within this Redevelopment Plan or any Exhibit attached hereto that do not arise to more than a scrivener's error, the City Council of the City authorizes the Commission to approve and correct such inaccuracies and to execute any required instruments and to make and incorporate such amendment or change to this Redevelopment Plan or any Exhibit attached hereto.

<u>EXHIBIT 1A</u>
Redevelopment Area Legal Description

All that part of the Southeast Quarter of Section 26, Township 48 North, Range 33 West, in the City of Kansas City, Jackson County, Missouri, being more particularly described as follows: Commencing at the Northeast corner of the Northeast Quarter of the Southeast Quarter of said Section 26; thence North 87 degrees 00 minutes 16 seconds West, along the North line of the Southeast Quarter of said Section 26, a distance of 189.89 feet; thence South 2 degrees 14 minutes 33 seconds West, a distance of 82.53 feet to a point on the South right-of-way line of Bannister Road, as now established, said point also being the point of beginning; thence South 87 degrees 08 minutes 26 seconds East, along the South right-of-way line of said Bannister Road, a distance of 114.00 feet; thence South 42 degrees 18 minutes 05 seconds East, along the South right-of-way line of said Bannister Road, a distance of 28.51 feet to a point on the West right-of-way line of Hillcrest Road, as now established; thence along the West right-of-way line of said Hillcrest Road, for the following three (3) courses; thence South 2 degree 11 minutes 49 seconds West, a distance of 355.70 feet; thence South 2 degrees 21 minutes 53 seconds East, a distance of 200.64 feet; thence South 2 degrees 12 minutes 10 seconds West, a distance of 99.80 feet; thence North 87 degrees 03 minutes 32 seconds West, a distance of 396.06 feet; thence North 2 degrees 08 minutes 59 seconds East, a distance of 320.61 feet; thence North 87 degrees 48 minutes 46 seconds West, a distance of 31.49 feet; thence North 2 degrees 10 minutes 37 seconds East, a distance of 354.63 feet to a point on the South right-of-way line of said Bannister Road; thence South 87 degrees 08 minutes 26 seconds East, along the South right-of-way line of said Bannister Road, a distance of 278 .00 feet to the point of beginning, containing 6.2192 acres, more or less, subject to that part in streets and roads; and all that part of the Southeast Quarter of Section 26, Township 48 North, Range 33 West, in the City of Kansas City, Jackson County, Missouri, being more particularly described as follows: Commencing at the Northeast corner of the Northeast Quarter of the Southeast Quarter of said Section 26; thence North 87 degrees 00 minutes 16 seconds West, along the North line of the Southeast Quarter of said Section 26, a distance of 699.95 feet; thence South 2 degrees 13 minutes 47 seconds West, a distance of 83.74 feet to the Northeast plat corner of Watson -QuikTrip, a platted subdivision of land in the City of Kansas City, Jackson County, Missouri, said point also being a point on the South right-of-way line of Bannister Road, as now established, said point also being the point of beginning; thence South 87 degrees 08 minutes 26 seconds East, along the South right-of-way line of said Bannister Road, a distance of 232.02 feet; thence South 2 degrees 10 minutes 37 seconds West, a distance of 195.64 feet; thence North 87 degrees 49 minutes 23 seconds West, a distance of 232.19 feet; thence North 2 degrees 13 minutes 47 seconds East, along the Easterly plat line of said Watson -QuikTrip and its Southerly extension, a distance of 198.40 feet to the point of beginning, containing 1.0498 acres, more or less, subject to that part in streets and roads.

EXHIBIT 1B
Project Areas Legal Description

Redevelopment Project 1 ("Project 1"):

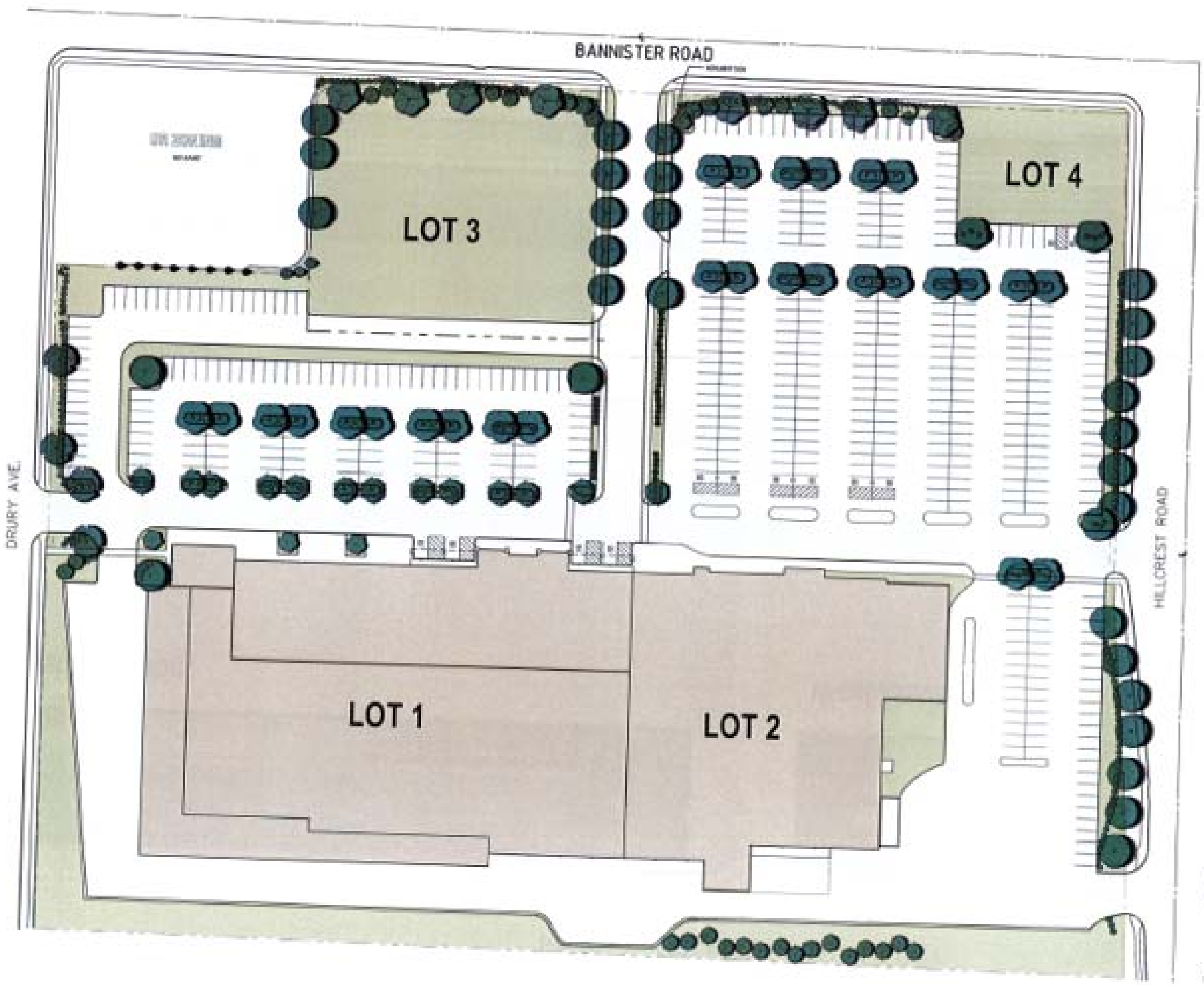
All that part of the Southeast Quarter of Section 26, Township 48 North, Range 33 West, in the City of Kansas City, Jackson County, Missouri, being more particularly described as follows: Commencing at the Northeast corner of the Northeast Quarter of the Southeast Quarter of said Section 26; thence North 87 degrees 00 minutes 16 seconds West, along the North line of the Southeast Quarter of said Section 26, a distance of 189.89 feet; thence South 2 degrees 14 minutes 33 seconds West, a distance of 82.53 feet to a point on the South right-of-way line of Bannister Road, as now established, said point also being the point of beginning; thence South 87 degrees 08 minutes 26 seconds East, along the South right-of-way line of said Bannister Road, a distance of 114.00 feet; thence South 42 degrees 18 minutes 05 seconds East, along the South right-of-way line of said Bannister Road, a distance of 28.51 feet to a point on the West right-of-way line of Hillcrest Road, as now established; thence along the West right-of-way line of said Hillcrest Road, for the following three (3) courses; thence South 2 degree 11 minutes 49 seconds West, a distance of 355.70 feet; thence South 2 degrees 21 minutes 53 seconds East, a distance of 200.64 feet; thence South 2 degrees 12 minutes 10 seconds West, a distance of 99.80 feet; thence North 87 degrees 03 minutes 32 seconds West, a distance of 396.06 feet; thence North 2 degrees 08 minutes 59 seconds East, a distance of 320.61 feet; thence North 87 degrees 48 minutes 46 seconds West, a distance of 31.49 feet; thence North 2 degrees 10 minutes 37 seconds East, a distance of 354.63 feet to a point on the South right-of-way line of said Bannister Road; thence South 87 degrees 08 minutes 26 seconds East, along the South right-of-way line of said Bannister Road, a distance of 278 .00 feet to the point of beginning, containing 6.2192 acres, more or less, subject to that part in streets and roads.

Redevelopment Project 2 ("Project 2"):

All that part of the Southeast Quarter of Section 26, Township 48 North, Range 33 West, in the City of Kansas City, Jackson County, Missouri, being more particularly described as follows: Commencing at the Northeast corner of the Northeast Quarter of the Southeast Quarter of said Section 26; thence North 87 degrees 00 minutes 16 seconds West, along the North line of the Southeast Quarter of said Section 26, a distance of 699.95 feet; thence South 2 degrees 13 minutes 47 seconds West, a distance of 83.74 feet to the Northeast plat corner of Watson - QuikTrip, a platted subdivision of land in the City of Kansas City, Jackson County, Missouri, said point also being a point on the South right-of-way line of Bannister Road, as now established, said point also being the point of beginning; thence South 87 degrees 08 minutes 26 seconds East, along the South right-of-way line of said Bannister Road, a distance of 232.02 feet; thence South 2 degrees 10 minutes 37 seconds West, a distance of 195.64 feet; thence North 87 degrees 49 minutes 23 seconds West, a distance of 232.19 feet; thence North 2 degrees 13 minutes 47 seconds East, along the Easterly plat line of said Watson -QuikTrip and its Southerly extension, a distance of 198.40 feet to the point of beginning, containing 1.0498 acres, more or less, subject to that part in streets and roads.

<u>EXHIBIT 2</u>

Maps of Redevelopment Area



PIONEER PLAZA
SITE PLAN

SCORE
DEVELOPMENT

5615 E Bannister
Road, LLC

GastingerWalker&

0 20' 40' 80'

2.27.2020

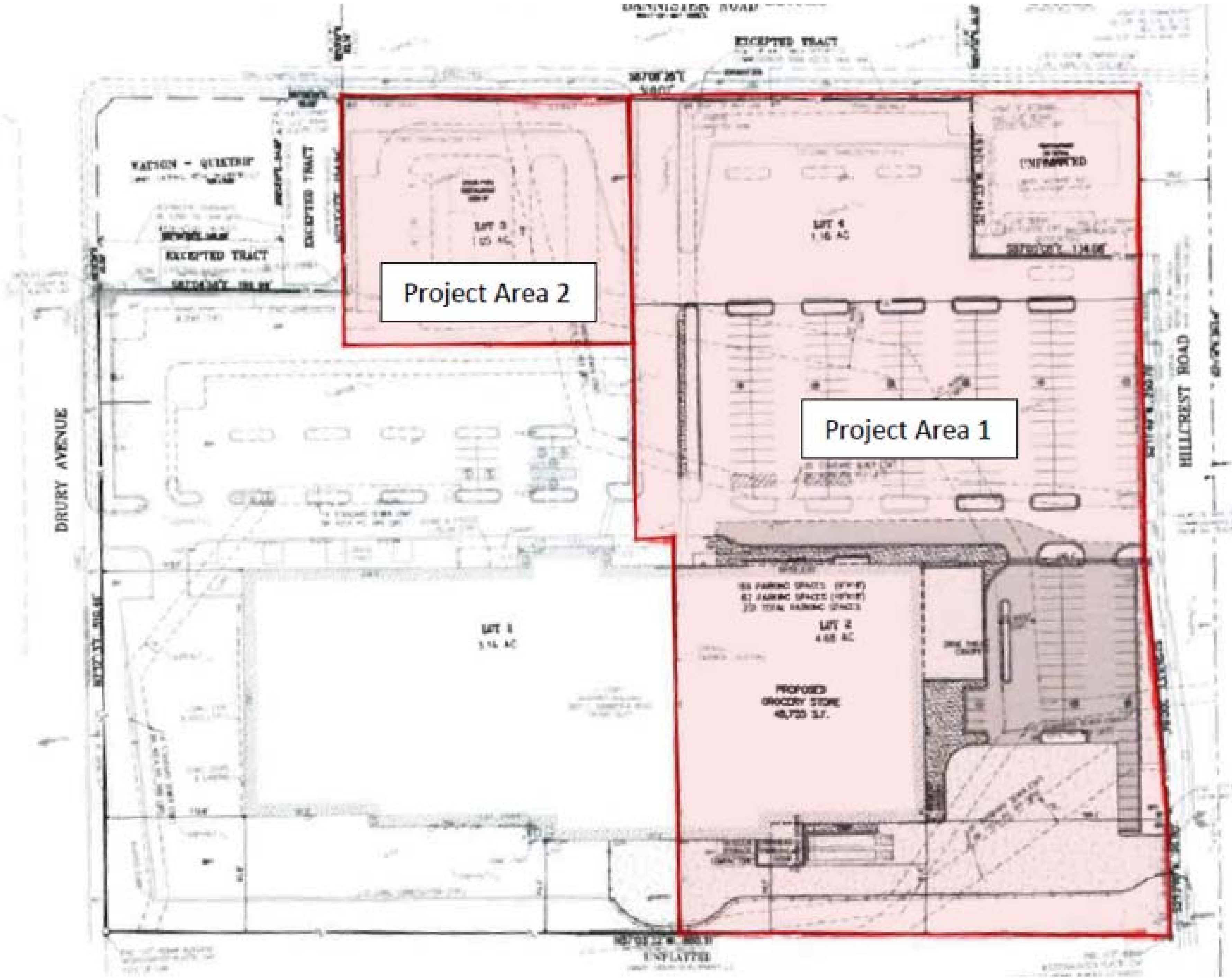

BANNISTER ROAD
EXCEPTED TRACT
WATSON - QUIKTRIP
EXCEPTED TRACT
EXCEPTED TRACT
UNPLATTED
Project Area 2
Project Area 1
DRURY AVENUE
HILLCREST ROAD
PROPOSED
GROCERY STORE
UNPLATTED

EXHIBIT 3

SPECIFIC OBJECTIVES

1. To eliminate adverse conditions which are detrimental to public health, safety, morals, or welfare in the Redevelopment Area and to eliminate and prevent the recurrence thereof for the betterment of the Redevelopment Area and the community at large;

2. To enhance the tax base of the City and the other Taxing Districts, encourage private investment in the surrounding area;

3. To increase employment opportunities;

4. To stimulate construction and development and generate tax revenues, which would not occur without Tax Increment Financing assistance; and

5. To cause the construction of an approximately 48,500 square-foot full service grocery store, including a pharmacy, and other necessary site improvements, including the construction of a new surface parking lot that will include new lighting, signage and repair of any concrete or asphalt and the development of a fast food pad site, as well the construction of such other public infrastructure improvements, which may consist of streetscape, signage, signaling, sidewalks and curbs and such other related pubic infrastructure improvements.

EXHIBIT 4A

CONSTRUCTION TOTALS BY PROJECT AREA

Developer to Provide

	New Construction	Existing Structures to REMAIN as is	Existing Structures to be REHABBED	Total	Existing Structures to be DEMOLISHED
Office SF	0	0	0	0	0
Retail SF	51,000	0	0	51,000	48,500
Institutional SF	0	0	0	0	0
Industrial/Storage SF	0	0	0	0	0
Residential SF	0	0	0	0	0
Total Square Feet	0	0	0	51,000	0

Number of Dwelling Units	0	0	0	0	0
Number of Motel Rooms	0	0	0	0	0
Number of Parking Spaces	0	0	368	368	0

EXHIBIT 4B

EMPLOYMENT INFORMATION

Permanent jobs to be CREATED IN Kansas City	115
Permanent jobs to be RELOCATED TO Kansas City	N/A
Permanent jobs to be RETAINED IN Kansas City	N/A
TOTAL	115
Anticipated Annual Payroll	$2,080,000
Estimated number of construction workers to be hired during construction phase	70
Estimated construction payroll in all construction phases	$2,400,000

<u>EXHIBIT 5</u>

Estimated Redevelopment Costs

Pioneer Plaza Grocery Store

Sources

Owner Equity	$	1,675,406
NMTCs	$	2,343,000
Debt	$	9,340,489
	$	**13,358,895**

PROJECT COSTS

Item	Notes/Description		Amount								
			Project budget	**Developer Cost**	**Statutory TIF EATs - Sales**	**Statutory TIF EATs - Income**	**Statutory TIF EATs- Captured CID**	**PILOTs**	**Super TIF EATs - Sales**	**Super TIF EATs - Income**	**CID**
Acquisition Costs	Acquisition		$1,121,374	$296,374	$200,000	$20,000	$200,000	$200,000	$200,000	$5,000	
	Title/Recording			$0							
Acquisition		8%	**$1,121,374**	**$296,374**	**$200,000**	**$20,000**	**$200,000**	**$200,000**	**$200,000**	**$5,000**	**$0**
Hard Construction Costs	Parking Sitework (included in hard costs)			$0							
	Demo		$52,490	$0							$52,490
	Hard Construction		$6,378,878	$300,890	$2,517,816	$8,165	$386,662	$1,416,688	$862,567	$43,165	$842,926
	General Conditions		$320,561	$194,561	$20,000	$20,000	$21,000	$20,000	$40,000	$5,000	
	Insurance		$28,265	$0	$3,265	$5,000	$5,000	$5,000	$5,000	$5,000	
	Construction Bond		$33,395	$3,395	$5,000	$5,000	$5,000	$5,000	$5,000	$5,000	
	Construction Contigency		$425,000	$370,000	$30,000	$5,000	$5,000	$5,000	$5,000	$5,000	
	GC Fee		$310,911	$216,370	$69,542	$5,000	$5,000	$5,000	$5,000	$5,000	
	Permit Fees and insurance (included in hard construction)			$0							
	HVAC		$223,000	$223,000							
	Testing Allowants (included in hard construction)			$0							
	Security		$25,000	$0	$5,000	$5,000	$5,000	$5,000	$5,000		
	Stormwater (Included in Hard Construction			$0							
	Signage		$70,000	$0	$45,000	$5,000	$5,000	$5,000	$5,000	$5,000	
	Alternative Costs in Bid			$0							
Total Hard Costs		59%	**$7,867,500**	**$1,308,215**	**$2,695,622**	**$58,165**	**$437,662**	**$1,466,688**	**$932,567**	**$73,165**	**$895,416**
Soft Construction Costs	Architecture Fees (Inc: civil, structural, MEP, Int. Design		$466,650	$0	$441,650	$5,000	$5,000	$5,000	$5,000	$5,000	
	Landscaping (included in architectural)			$0							
	Owner's Representation		$120,000	$30,000	$30,000		$30,000	$30,000			
	Taxes		$50,700	$50,700							
	Geotech (included in Architectural)			$0							
	Concrete Consultant		$28,000	$0	$23,000	$1,000	$1,000	$1,000	$1,000	$1,000	
	Special Inspections		$43,300	$300	$38,000	$1,000	$1,000	$1,000	$1,000	$1,000	
	Environmental Study		$5,000	$5,000							
	Environmental Remediation		$70,000	$0	$45,000	$5,000	$5,000	$5,000	$5,000	$5,000	
	Lender Site Inspections		$15,000	$0	$5,000	$2,000	$2,000	$2,000	$2,000	$2,000	
	Previous legal Fees		$15,983	$15,983							
	Impact fees		$72,000	$0	$47,000	$5,000	$5,000	$5,000	$5,000	$5,000	
	Consultant Reimbursables		$5,600	$5,600							
	Builder's Risk Insurance		$21,485	$0	$21,485						
	Civil Lot Split		$35,000	$5,000	$5,000	$5,000	$5,000	$5,000	$5,000	$5,000	
	Civil - Alta Survey		$7,500	$7,500							
	Feasibility Study		$12,000	$0	$2,000	$2,000	$2,000	$2,000	$2,000	$2,000	
	Appraisal		$6,000	$6,000							
	Origination fee		$83,454	$38,034	$45,420						
	Interest Carry - Loan - Construction		$510,000	$45,713	$100,000	$20,000	$141,754	$162,533	$20,000	$20,000	
	Interest Carry TIF Loan			$0							
	Interest Carry - Purchase/Insurance		$487,349	$487,349							
	Lender/Debt Fees including third party reports			$0							
	Broker Fees		$357,000	$357,000							
EDC Fees	Property Tax During Construciton		$30,000	$30,000							
	Developer Fee		$500,000	$350,000	$25,000	$25,000	$25,000	$25,000	$25,000	$25,000	
	EDC Blight Study		$20,000	$0	$20,000						
	TIF Financial Analysis		$20,000	$0			$20,000				
	EDC Legal		$40,000	$10,000	$5,000	$5,000	$5,000	$5,000	$5,000	$5,000	
	Soft Cost Contingency		$25,000	$25,000							
	SDG Incentive Fees		$135,000	$75,000	$10,000	$10,000	$10,000	$10,000	$10,000	$10,000	
	Ownership Incentive Legal		$75,000	$75,000							
NMTC Fees	NMTC Legal		$300,000	$300,000							

SDG NMTC Fee		$165,000	$165,000								
NMTC Modeling		$30,000	$30,000								
CBKC Exit Fee			$0								
Charitible Gift		$110,000	$110,000								
Capitalized NMTC Construction Interest		$108,000	$108,000								
NMTC 100% Reserve		$400,000	$400,000								
			$0								
Total Soft Costs	33%	**$4,370,021**	**$2,732,179**	**$863,555**	**$86,000**	**$257,754**	**$258,533**	**$86,000**	**$86,000**	**$0**	
Total Hard and Soft Costs		**$12,237,521**	**$4,040,394**	**$3,559,177**	**$144,165**	**$695,416**	**$1,725,221**	**$1,018,567**	**$159,165**	**$895,416**	
TOTAL PROJECT COSTS		**$13,358,895**	**$4,336,768**	**$3,759,177**	**$164,165**	**$895,416**	**$1,925,221**	**$1,218,567**	**$164,165**	**$895,416**	
			34.06%	**28.14%**	**1.23%**	**6.70%**	**14.41%**	**9.12%**	**1.23%**	**6.70%**	
Permanent Financing											
Permanent Financing Costs @ 5.5% interest rate on 23 year amortizatior		$3,490,182	$3,490,182								
TIF/CID Interest Costs @ 5.5% interest rate on a 23 year amortizatior		$7,434,320		$3,129,941	$128,582	$633,459	$1,765,503	$1,014,794	$128,582	$633,459	
Total project cost with TIF/CID interest		**$10,924,502**									
Total Development Cost plus Financing Cost		**$24,283,397**	**$7,826,950**	**$6,889,118**	**$292,747**	**$1,528,875**	**$3,690,724**	**$2,233,361**	**$292,747**	**$1,528,875**	$16,456,447
Percent of Develoment Costs			*32.23%*	*28.37%*	*1.21%*	*6.30%*	*15.20%*	*9.20%*	*1.21%*	*6.30%*	

EXHIBIT 6

Estimated Annual Increases in Assessed Value and Resulting Payments in Lieu of Taxes and Projected Economic Activity Taxes

	Captured Sales Tax (1.794%)	Captured Super TIF (.625%)	Captured Wages (50%)	Super TIF Captured Wages (50%)	CID Sales Tax Captured as EATS (50%)	CID (50%)	Total EATS	Available EATS +CID Revenue	PILOTS	Total Available Incentives Including Financing Costs
Grocery Store	$ 6,314,308	$ 2,104,778	$ 283,141	$ 283,141	$ 1,440,800	$ 1,440,800	$ 10,426,170	$ 11,866,970	$ 3,387,594	$ 15,254,565
Lot 3	$ 574,811	$ 128,582	$ 20,419	$ 20,419	$ 88,076	$ 88,076	$ 832,306	$ 920,382	$ 287,385	$1,207,767
	$ 6,889,119	**$ 2,233,360**	**$ 303,560**	**$ 303,560**	**$ 1,528,876**	**$ 1,528,876**	**$ 11,258,476**	**$12,787,352**	**$ 3,674,979**	**$16,462,332**

Total EATs

Square Footage	**48,500**
Sales Per SF	**$413.89**
Total Gross Sales At Stabilization	**$16,762,720**

Year	SF	Sales Percentage	Weekly Sales	Inflation	Total Sales	EBT Percentage	Total Taxable Sales
2021	48,500	100%	$289,124	0%	$15,034,448	20%	$12,027,558
2022	48,500	100%	$314,791	0%	$16,369,132	20%	$13,095,306
2023	48,500	100%	$322,360	0%	$16,762,720	20%	$13,410,176
2024	48,500	100%	$322,360	1.00%	$16,930,347	20%	$13,544,278
2025	48,500	100%	$322,360	1.00%	$17,099,651	20%	$13,679,721
2026	48,500	100%	$322,360	1.00%	$17,270,647	20%	$13,816,518
2027	48,500	100%	$322,360	1.00%	$17,443,354	20%	$13,954,683
2028	48,500	100%	$322,360	1.00%	$17,617,787	20%	$14,094,230
2029	48,500	100%	$322,360	1.00%	$17,793,965	20%	$14,235,172
2030	48,500	100%	$322,360	1.00%	$17,971,905	20%	$14,377,524
2031	48,500	100%	$322,360	1.00%	$18,151,624	20%	$14,521,299
2032	48,500	100%	$322,360	1.00%	$18,333,140	20%	$14,666,512
2033	48,500	100%	$322,360	1.00%	$18,516,471	20%	$14,813,177
2034	48,500	100%	$322,360	1.00%	$18,701,636	20%	$14,961,309
2035	48,500	100%	$322,360	1.00%	$18,888,652	20%	$15,110,922
2036	48,500	100%	$322,360	1.00%	$19,077,539	20%	$15,262,031
2037	48,500	100%	$322,360	1.00%	$19,268,314	20%	$15,414,652
2038	48,500	100%	$322,360	1.00%	$19,460,998	20%	$15,568,798
2039	48,500	100%	$322,360	1.00%	$19,655,608	20%	$15,724,486
2040	48,500	100%	$322,360	1.00%	$19,852,164	20%	$15,881,731
2041	48,500	100%	$322,360	1.00%	$20,050,685	20%	$16,040,548
2042	48,500	100%	$322,360	1.00%	$20,251,192	20%	$16,200,954
2043	48,500	100%	$322,360	1.00%	$20,453,704	20%	$16,362,963

Year	Sales Tax Rate	Total Sales Tax	Captured Sales Tax (1.794%)	Captured Super TIF (.625%)	Total Wages (1.5% Increase Annually)	Captured Wages (50%)	Super TIF Captured Wages (50%)	CID Sales Tax Captured as EATS (50%)	Total EATS	KCMO Admin Fee	Available EATS
2021	**8.60%**	$1,034,370	$225,547	$75,172	$2,080,000	$ 10,400	$ 10,400	$ 60,138	$381,657	($15,324)	$366,333
2022	**8.60%**	$1,126,196	$245,676	$81,846	$2,111,200	$ 10,556	$ 10,556	$ 65,477	$414,110	($16,613)	$397,497
2023	**8.60%**	$1,153,275	$251,432	$83,814	$2,142,868	$ 10,714	$ 10,714	$ 67,051	$423,726	($16,996)	$406,730
2024	**8.60%**	$1,164,808	$253,947	$84,652	$2,175,011	$ 10,875	$ 10,875	$ 67,721	$428,070	($17,171)	$410,899
2025	**8.60%**	$1,176,456	$256,486	$85,498	$2,207,636	$ 11,038	$ 11,038	$ 68,399	$432,459	($17,348)	$415,111
2026	**8.60%**	$1,188,221	$259,051	$86,353	$2,240,751	$ 11,204	$ 11,204	$ 69,083	$436,894	($17,527)	$419,367
2027	**8.60%**	$1,200,103	$261,642	$87,217	$2,274,362	$ 11,372	$ 11,372	$ 69,773	$441,375	($17,708)	$423,667
2028	**8.60%**	$1,212,104	$264,258	$88,089	$2,308,477	$ 11,542	$ 11,542	$ 70,471	$445,903	($17,891)	$428,012
2029	**8.60%**	$1,224,225	$266,901	$88,970	$2,343,105	$ 11,716	$ 11,716	$ 71,176	$450,477	($18,075)	$432,402
2030	**8.60%**	$1,236,467	$269,570	$89,860	$2,378,251	$ 11,891	$ 11,891	$ 71,888	$455,099	($18,262)	$436,837
2031	**8.60%**	$1,248,832	$272,265	$90,758	$2,413,925	$ 12,070	$ 12,070	$ 72,606	$459,769	($18,451)	$441,319
2032	**8.60%**	$1,261,320	$274,988	$91,666	$2,450,134	$ 12,251	$ 12,251	$ 73,333	$464,487	($18,641)	$445,846
2033	**8.60%**	$1,273,933	$277,738	$92,582	$2,486,886	$ 12,434	$ 12,434	$ 74,066	$469,255	($18,834)	$450,421
2034	**8.60%**	$1,286,673	$280,515	$93,508	$2,524,189	$ 12,621	$ 12,621	$ 74,807	$474,072	($19,028)	$455,044
2035	**8.60%**	$1,299,539	$283,320	$94,443	$2,562,052	$ 12,810	$ 12,810	$ 75,555	$478,939	($19,225)	$459,714
2036	**8.60%**	$1,312,535	$286,153	$95,388	$2,600,483	$ 13,002	$ 13,002	$ 76,310	$483,856	($19,423)	$464,433
2037	**8.60%**	$1,325,660	$289,015	$96,342	$2,639,490	$ 13,197	$ 13,197	$ 77,073	$488,825	($19,624)	$469,201
2038	**8.60%**	$1,338,917	$291,905	$97,305	$2,679,082	$ 13,395	$ 13,395	$ 77,844	$493,845	($19,827)	$474,018
2039	**8.60%**	$1,352,306	$294,824	$98,278	$2,719,269	$ 13,596	$ 13,596	$ 78,622	$498,917	($20,032)	$478,885
2040	**8.60%**	$1,365,829	$297,772	$99,261	$2,760,058	$ 13,800	$ 13,800	$ 79,409	$504,043	($20,239)	$483,803
2041	**8.60%**	$1,379,487	$300,750	$100,253	$2,801,458	$ 14,007	$ 14,007		$429,018	($16,438)	$412,580
2042	**8.60%**	$1,393,282	$303,758	$101,256	$2,843,480	$ 14,217	$ 14,217		$433,448	($16,610)	$416,839
2043	**8.60%**	$1,407,215	$306,795	$102,269	$2,886,132	$ 14,431	$ 14,431		$437,925	($16,783)	$421,142
		$28,961,751	**$6,314,308**	**$2,104,778**	**$56,628,299**	**$283,141**	**$283,141**	**$1,440,800**	**$10,426,170**	**-$416,070**	**$10,010,100**

CID

Year	Total Sales	TIF Taxable % (EBT)	CID Rate	CID Percentage	CID Income
2021	$15,034,448	$12,027,558	1.000%	50%	$ 60,138
2022	$16,369,132	$13,095,306	1.000%	50%	$ 65,477
2023	$16,762,720	$13,410,176	1.000%	50%	$ 67,051
2024	$16,930,347	$13,544,278	1.000%	50%	$ 67,721
2025	$17,099,651	$13,679,721	1.000%	50%	$ 68,399
2026	$17,270,647	$13,816,518	1.000%	50%	$ 69,083
2027	$17,443,354	$13,954,683	1.000%	50%	$ 69,773
2028	$17,617,787	$14,094,230	1.000%	50%	$ 70,471
2029	$17,793,965	$14,235,172	1.000%	50%	$ 71,176
2030	$17,971,905	$14,377,524	1.000%	50%	$ 71,888
2031	$18,151,624	$14,521,299	1.000%	50%	$ 72,606
2032	$18,333,140	$14,666,512	1.000%	50%	$ 73,333
2033	$18,516,471	$14,813,177	1.000%	50%	$ 74,066
2034	$18,701,636	$14,961,309	1.000%	50%	$ 74,807
2035	$18,888,652	$15,110,922	1.000%	50%	$ 75,555
2036	$19,077,539	$15,262,031	1.000%	50%	$ 76,310
2037	$19,268,314	$15,414,652	1.000%	50%	$ 77,073
2038	$19,460,998	$15,568,798	1.000%	50%	$ 77,844
2039	$19,655,608	$15,724,486	1.000%	50%	$ 78,622

2040	$19,852,164	$15,881,731	1.000%	50%	$	79,409
	$ 360,200,101	**$ 288,160,081**			**$**	**1,440,800**

PILOT

Estimated Assessed Value	$ 5,800,000		
Commercial Rate	32%	$	27,840.000
Inflation	2.90%		
Tax Rate	8.4542		

Year	Assessed Property Value	Total Property Tax	Existing Tax	TIF	Total PILOTs
2021	$1,856,000	$156,910	$ (22,394)	75%	$100,887
2022	$1,909,824	$161,460	$ (22,394)	75%	$104,300
2023	$1,965,209	$166,143	$ (22,394)	75%	$107,812
2024	$2,022,200	$170,961	$ (22,394)	75%	$111,425
2025	$2,080,844	$175,919	$ (22,394)	75%	$115,144
2026	$2,141,188	$181,020	$ (22,394)	75%	$118,970
2027	$2,203,283	$186,270	$ (22,394)	75%	$122,907
2028	$2,267,178	$191,672	$ (22,394)	75%	$126,958
2029	$2,332,926	$197,230	$ (22,394)	75%	$131,127
2030	$2,400,581	$202,950	$ (22,394)	75%	$135,417
2031	$2,470,198	$208,835	$ (22,394)	75%	$139,831
2032	$2,541,833	$214,892	$ (22,394)	75%	$144,373
2033	$2,615,547	$221,124	$ (22,394)	75%	$149,047
2034	$2,691,397	$227,536	$ (22,394)	75%	$153,857
2035	$2,769,448	$234,135	$ (22,394)	75%	$158,806
2036	$2,849,762	$240,925	$ (22,394)	75%	$163,898
2037	$2,932,405	$247,911	$ (22,394)	75%	$169,138
2038	$3,017,445	$255,101	$ (22,394)	75%	$174,530
2039	$3,104,951	$262,499	$ (22,394)	75%	$180,079
2040	$3,194,994	$270,111	$ (22,394)	75%	$185,788
2041	$3,287,649	$277,944	$ (22,394)	75%	$191,663
2042	$3,382,991	$286,005	$ (22,393)	75%	$197,709
2043	$3,481,098	$294,299	$ (22,392)	75%	$203,930
		$5,031,851			**$3,387,594**

Lot 3 EATS Analysis

Total Gross Sales **$800,000**

Year	Total Sales	Sales Percentage	Total Sales	Inflation	Sales Tax Rate	Total Sales Tax	Captured Sales Tax (2.794%)	Captured Super TIF (.625%)	Total Wages (1.5% Increase Annually)	Captured Wages (50%)	Super TIF Captured Wages (50%)	CID Sales Tax Captured as EATS (50%)	Total EATS	KCMO Admin Fee	Available EATS
2021	$800,000	100%	$800,000	**1.00%**	8.60%	$68,800	$22,352	$5,000	$150,000	$750	$750	$4,000	$32,852	($1,355)	$31,497
2022	$808,000	100%	$808,000	**1.00%**	8.60%	$69,488	$22,576	$5,050	$152,250	$761	$761	$4,040	$33,188	($1,369)	$31,819
2023	$816,080	100%	$816,080	**1.00%**	8.60%	$70,183	$22,801	$5,101	$154,534	$773	$773	$4,080	$33,528	($1,383)	$32,145
2024	$824,241	100%	$824,241	**1.00%**	8.60%	$70,885	$23,029	$5,152	$156,852	$784	$784	$4,121	$33,871	($1,397)	$32,474
2025	$832,483	100%	$832,483	**1.00%**	8.60%	$71,594	$23,260	$5,203	$159,205	$796	$796	$4,162	$34,217	($1,411)	$32,806
2026	$840,808	100%	$840,808	**1.00%**	8.60%	$72,309	$23,492	$5,255	$161,593	$808	$808	$4,204	$34,567	($1,425)	$33,142
2027	$849,216	100%	$849,216	**1.00%**	8.60%	$73,033	$23,727	$5,308	$164,016	$820	$820	$4,246	$34,921	($1,440)	$33,481
2028	$857,708	100%	$857,708	**1.00%**	8.60%	$73,763	$23,964	$5,361	$166,477	$832	$832	$4,289	$35,278	($1,454)	$33,824
2029	$866,285	100%	$866,285	**1.00%**	8.60%	$74,501	$24,204	$5,414	$168,974	$845	$845	$4,331	$35,639	($1,469)	$34,170
2030	$874,948	100%	$874,948	**1.00%**	8.60%	$75,246	$24,446	$5,468	$171,508	$858	$858	$4,375	$36,004	($1,484)	$34,520
2031	$883,698	100%	$883,698	**1.00%**	8.60%	$75,998	$24,691	$5,523	$174,081	$870	$870	$4,418	$36,373	($1,499)	$34,874
2032	$892,535	100%	$892,535	**1.00%**	8.60%	$76,758	$24,937	$5,578	$176,692	$883	$883	$4,463	$36,745	($1,514)	$35,231
2033	$901,460	100%	$901,460	**1.00%**	8.60%	$77,526	$25,187	$5,634	$179,343	$897	$897	$4,507	$37,122	($1,530)	$35,592
2034	$910,475	100%	$910,475	**1.00%**	8.60%	$78,301	$25,439	$5,690	$182,033	$910	$910	$4,552	$37,502	($1,545)	$35,957
2035	$919,579	100%	$919,579	**1.00%**	8.60%	$79,084	$25,693	$5,747	$184,763	$924	$924	$4,598	$37,886	($1,561)	$36,325
2036	$928,775	100%	$928,775	**1.00%**	8.60%	$79,875	$25,950	$5,805	$187,535	$938	$938	$4,644	$38,274	($1,577)	$36,697
2037	$938,063	100%	$938,063	**1.00%**	8.60%	$80,673	$26,209	$5,863	$190,348	$952	$952	$4,690	$38,666	($1,593)	$37,074
2038	$947,444	100%	$947,444	**1.00%**	8.60%	$81,480	$26,472	$5,922	$193,203	$966	$966	$4,737	$39,062	($1,609)	$37,454
2039	$956,918	100%	$956,918	**1.00%**	8.60%	$82,295	$26,736	$5,981	$196,101	$981	$981	$4,785	$39,463	($1,625)	$37,838
2040	$966,487	100%	$966,487	**1.00%**	8.60%	$83,118	$27,004	$6,041	$199,043	$995	$995	$4,832	$39,867	($1,642)	$38,225
2041	$976,152	100%	$976,152	**1.00%**	8.60%	$83,949	$27,274	$6,101	$202,028	$1,010	$1,010	$0	$35,395	($1,414)	$33,981
2042	$985,914	100%	$985,914	**1.00%**	8.60%	$84,789	$27,546	$6,162	$205,059	$1,025	$1,025	$0	$35,759	($1,429)	$34,330
2043	$995,773	100%	$995,773	**1.00%**	8.60%	$85,636	$27,822	$6,224	$208,135	$1,041	$1,041	$0	$36,127	($1,443)	$34,684
						$1,769,282	**$574,811**	**$128,582**	**$4,083,772**	**$20,419**	**$20,419**	**$88,076**	**$832,306**	**($34,165)**	**$798,141**

TIF Sales Revenue Projections

Year	Total Sales	Sales Tax Rate	Income on Full Sales Available for DS
2021	$800,000	2.794%	$22,352
2022	$808,000	2.794%	$22,576
2023	$816,080	2.794%	$22,801
2024	$824,241	2.794%	$23,029
2025	$832,483	2.794%	$23,260
2026	$840,808	2.794%	$23,492
2027	$849,216	2.794%	$23,727
2028	$857,708	2.794%	$23,964
2029	$866,285	2.794%	$24,204
2030	$874,948	2.794%	$24,446
2031	$883,698	2.794%	$24,691
2032	$892,535	2.794%	$24,937
2033	$901,460	2.794%	$25,187
2034	$910,475	2.794%	$25,439
2035	$919,579	2.794%	$25,693
2036	$928,775	2.794%	$25,950
2037	$938,063	2.794%	$26,209
2038	$947,444	2.794%	$26,472
2039	$956,918	2.794%	$26,736
2040	$966,487	2.794%	$27,004
2041	$976,152	2.794%	$27,274
2042	$985,914	2.794%	$27,546
2043	$995,773	2.794%	$27,822

2021	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**	**2036**	**2037**	**2038**	**2039**	**2040**	**2041**	**2042**	**2043**
$ 22,352	$ 22,576	$ 22,801	$ 23,029	$ 23,260	$ 23,492	$ 23,727	$ 23,964	$ 24,204	$ 24,446	$ 24,691	$ 24,937	$ 25,187	$ 25,439	$ 25,693	$ 25,950	$ 26,209	$ 26,472	$ 26,736	$ 27,004	$ 27,274	$ 27,546	$27,822

Super TIF Sales Revenue Projections

Year	Total Sales	Sales Tax Rate	Income on Full Sales Available for DS
2021	$800,000	0.625%	$5,000
2022	$808,000	0.625%	$5,050
2023	$816,080	0.625%	$5,101
2024	$824,241	0.625%	$5,152
2025	$832,483	0.625%	$5,203
2026	$840,808	0.625%	$5,255
2027	$849,216	0.625%	$5,308
2028	$857,708	0.625%	$5,361
2029	$866,285	0.625%	$5,414
2030	$874,948	0.625%	$5,468
2031	$883,698	0.625%	$5,523
2032	$892,535	0.625%	$5,578
2033	$901,460	0.625%	$5,634
2034	$910,475	0.625%	$5,690
2035	$919,579	0.625%	$5,747
2036	$928,775	0.625%	$5,805
2037	$938,063	0.625%	$5,863
2038	$947,444	0.625%	$5,922
2039	$956,918	0.625%	$5,981
2040	$966,487	0.625%	$6,041
2041	$976,152	0.625%	$6,101
2042	$985,914	0.625%	$6,162
2043	$995,773	0.625%	$6,224

2021	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**	**2036**	**2037**	**2038**	**2039**	**2040**	**2041**	**2042**	**2043**
$ 5,000	$ 5,050	$ 5,101	$ 5,152	$ 5,203	$ 5,255	$ 5,308	$ 5,361	$ 5,414	$ 5,468	$ 5,523	$ 5,578	$ 5,634	$ 5,690	$ 5,747	$ 5,805	$ 5,863	$ 5,922	$ 5,981	$ 6,041	$ 6,101	$ 6,162	$6,224

EATs Wages

Year	Total Wages	Wage Increase	TIF	Total EATS	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042
2021	$150,000	1.50%	50%	$ 750	$ 761	$ 773	$ 784	$ 796	$ 808	$ 820	$ 832	$ 845	$ 858	$ 870	$ 883	$ 897	$ 910	$ 924	$ 938	$ 952	$ 966	$ 981	$ 995	$ 1,010	$ 1,010	$ 1,025
2022	$152,250	1.50%	50%	$ 761																						
2023	$154,534	1.50%	50%	$ 773																						
2024	$156,852	1.50%	50%	$ 784																						
2025	$159,205	1.50%	50%	$ 796																						
2026	$161,593	1.50%	50%	$ 808																						
2027	$164,016	1.50%	50%	$ 820																						
2028	$166,477	1.50%	50%	$ 832																						
2029	$168,974	1.50%	50%	$ 845																						
2030	$171,508	1.50%	50%	$ 858																						
2031	$174,081	1.50%	50%	$ 870																						
2032	$176,692	1.50%	50%	$ 883																						
2033	$179,343	1.50%	50%	$ 897																						
2034	$182,033	1.50%	50%	$ 910																						
2035	$184,763	1.50%	50%	$ 924																						
2036	$187,535	1.50%	50%	$ 938																						
2037	$190,348	1.50%	50%	$ 952																						
2038	$193,203	1.50%	50%	$ 966																						
2039	$196,101	1.50%	50%	$ 981																						
2040	$199,043	1.50%	50%	$ 995																						
2041	$202,028	1.50%	50%	$ 1,010																						
2042	$205,059	1.50%	50%	$ 1,025																						
2043	$208,135	1.50%	50%	$ 1,041																						
	$4,083,772			**$ 20,419**																						

Super TIF EATs Wages

Year	Total Wages	Wage Increase	TIF	Total EATS	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042
2021	$150,000	1.50%	50%	$ 750	$ 761	$ 773	$ 784	$ 796	$ 808	$ 820	$ 832	$ 845	$ 858	$ 870	$ 883	$ 897	$ 910	$ 924	$ 938	$ 952	$ 966	$ 981	$ 995	$ 1,010	$ 1,010	$ 1,025
2022	$152,250	1.50%	50%	$ 761																						
2023	$154,534	1.50%	50%	$ 773																						
2024	$156,852	1.50%	50%	$ 784																						
2025	$159,205	1.50%	50%	$ 796																						
2026	$161,593	1.50%	50%	$ 808																						
2027	$164,016	1.50%	50%	$ 820																						
2028	$166,477	1.50%	50%	$ 832																						
2029	$168,974	1.50%	50%	$ 845																						
2030	$171,508	1.50%	50%	$ 858																						
2031	$174,081	1.50%	50%	$ 870																						
2032	$176,692	1.50%	50%	$ 883																						
2033	$179,343	1.50%	50%	$ 897																						
2034	$182,033	1.50%	50%	$ 910																						
2035	$184,763	1.50%	50%	$ 924																						
2036	$187,535	1.50%	50%	$ 938																						
2037	$190,348	1.50%	50%	$ 952																						
2038	$193,203	1.50%	50%	$ 966																						
2039	$196,101	1.50%	50%	$ 981																						
2040	$199,043	1.50%	50%	$ 995																						
2041	$202,028	1.50%	50%	$ 1,010																						
2042	$205,059	1.50%	50%	$ 1,025																						
2043	$208,135	1.50%	50%	$ 1,041																						
	$4,083,772			**$ 20,419**																						

PILOT

Estimated Assessed Value	$ 500,000
Commercial Rate	32%
Inflation	2.90%
Tax Rate	8.4542

Year	Assessed Value	Total Tax	Existing Tax	TIF	
2021	$160,000	$13,527	$ (2,200)	75%	$8,495
2022	$164,640	$13,919	$ (2,200)	75%	$8,789
2023	$169,415	$14,323	$ (2,200)	75%	$9,092
2024	$174,328	$14,738	$ (2,200)	75%	$9,404
2025	$179,383	$15,165	$ (2,200)	75%	$9,724
2026	$184,585	$15,605	$ (2,200)	75%	$10,054
2027	$189,938	$16,058	$ (2,200)	75%	$10,393
2028	$195,446	$16,523	$ (2,200)	75%	$10,743
2029	$201,114	$17,003	$ (2,200)	75%	$11,102
2030	$206,947	$17,496	$ (2,200)	75%	$11,472
2031	$212,948	$18,003	$ (2,200)	75%	$11,852
2032	$219,124	$18,525	$ (2,200)	75%	$12,244
2033	$225,478	$19,062	$ (2,200)	75%	$12,647
2034	$232,017	$19,615	$ (2,200)	75%	$13,061
2035	$238,746	$20,184	$ (2,200)	75%	$13,488
2036	$245,669	$20,769	$ (2,200)	75%	$13,927
2037	$252,794	$21,372	$ (2,200)	75%	$14,379
2038	$260,125	$21,991	$ (2,200)	75%	$14,844
2039	$267,668	$22,629	$ (2,200)	75%	$15,322
2040	$275,431	$23,285	$ (2,200)	75%	$15,814
2041	$283,418	$23,961	$ (2,200)	75%	$16,321
2042	$291,637	$24,656	$ (2,200)	75%	$16,842
2043	$300,095	$25,371	$ (2,200)	75%	$17,378
					$287,385

CID

Year	Total Sales	CID Rate	Percent Redirected	CID Income
2021	$824,241	1.000%	50%	$4,121
2022	$832,483	1.000%	50%	$4,162
2023	$840,808	1.000%	50%	$4,204
2024	$849,216	1.000%	50%	$4,246
2025	$857,708	1.000%	50%	$4,289
2026	$866,285	1.000%	50%	$4,331
2027	$874,948	1.000%	50%	$4,375
2028	$883,698	1.000%	50%	$4,418
2029	$892,535	1.000%	50%	$4,463
2030	$901,460	1.000%	50%	$4,507
2031	$910,475	1.000%	50%	$4,552
2032	$919,579	1.000%	50%	$4,598
2033	$928,775	1.000%	50%	$4,644
2034	$938,063	1.000%	50%	$4,690
2035	$947,444	1.000%	50%	$4,737
2036	$956,918	1.000%	50%	$4,785
2037	$966,487	1.000%	50%	$4,832
2038	$976,152	1.000%	50%	$4,881
2039	$985,914	1.000%	50%	$4,930
2040	$995,773	1.000%	50%	$4,979
	$ 18,148,961			**$90,745**

EXHIBIT 7

SOURCES OF FUNDS FOR ALL ESTIMATED REDEVELOPMENT PROJECT COSTS

1.	Amount of Costs reimbursable from PILOTs and Economic Activity Taxes	$12,401,464
2	Amount of Costs reimbursable from Additional City EATS	$2,526,108
3.	Amount of Costs reimbursable from CID (non-TIF)	$1,528,875
3.	Amount of costs funded by Equity/Debt and New Market Tax Credits	$7,826,950
	TOTAL	**$24,283,397**

EXHIBIT 8

Development Schedule

EVENT	DATE OF COMPLETION
Design Completion	Q2 - 2020
City and Agency Approvals	Q3 - 2020
Financing Closing	Q3 -2020
Begin Construction	Q3 - -2020
Complete Construction	Q3 - 2021

EXHIBIT 9

Cost-Benefit Analysis

Baker Tilly Municipal Advisors, LLC
9229 Ward Pkwy, Ste 104
Kansas City, MO 64114

bakertilly.com

MEMORANDUM

TO: Heather Brown, Executive Director
Tax Increment Financing Commission of Kansas City, Missouri

FROM: Matthew Stark, Manager

DATE: August 20, 2020

SUBJECT: Cost-Benefit Analysis of Pioneer Plaza project - UPDATED

Baker Tilly was recently retained by the Economic Development Corporation to examine the proposed redevelopment of the Pioneer Plaza shopping center and to estimate the relative costs and benefits related to economic development incentives that may be extended to the developer. This memo provides a summary of our efforts, and the findings derived from our analysis. This analysis includes guidance provided by EDC and the developer on August 18th and 19th, and replaces our report from August 14th.

Introduction

The applicant has proposed to redevelop the Pioneer Plaza retail site at the southwest corner of Bannister Road and Hillcrest Road. Redevelopment would include demolition of the former K-Mart building and construction of a new grocery store with a pharmacy. Additional work would make significant improvements to the parking area and develop a pad site which would likely be used for a fast food establishment. Redevelopment activities are estimated to cost approximately $13.4 million.

To make this development feasible, the developer is seeking assistance for the project in the form of Tax Increment Financing. This financing would include redirection of 50% of sales and earnings taxes and 75% of property taxes for a period of 23 years, to be used for reimbursable expenses. The applicant also seeks “super-TIF” incentives from the City, which would be comprised of the remaining 50% of earnings taxes and the remaining 50% of the City’s sales taxes for capital improvements and parks, for the same 23-year period. Sales taxes collected by the Zoo District and the County would not be included in the super-TIF incentive.

Assumptions

Our analysis and projections depend on a number of assumptions about the proposed development. Assumptions about the proposed development include the following:

- Redevelopment construction will be complete in 2021.
- Costs for redeveloping the property will be approximately $13.4 million.
- An additional $2.0 million will be spent on tangible personal property with a depreciation cycle of 5 years.
- The redevelopment will add approximately $5.4 million in real value to the property, which translates to $1.7 million in assessed value.
- 83 full-time positions will be added, with an average annual wage of $26,850. Direct payroll is expected to total $2.2 million.
- Based on regional multipliers for retail trade, indirect economic effects will generate an additional 37 FTEs, and additional payroll of $1.5 million.
- We estimate that the new jobs (direct and indirect) will bring 10 new residents to the City, and 9 to the School District.
- We anticipate that new employment will bring 3 students to the School District.
- 30% of gross salaries will be spent on taxable goods and services.
- Consumer spending will be 70% in Kansas City, 80% in Jackson County, and 80% in Missouri.

Incentives

The applicant is seeking Tax Increment Financing to offset eligible expenses in the redevelopment project. This financing would include TIF redirection of 50% of sales and earnings tax revenues, and 75% of property tax revenues, for a period of 23 years. It would also include a “super-TIF” incentive component consisting of the remaining half of the City’s tax revenues on earnings, along with redirection of the second half of the City’s sales taxes for capital improvements and parks. A summary of the incentives is shown in the table below:

Sales Taxes	Rate	TIF	Super-TIF
City – Capital Improvement	1.0000%	50%	50%
City – Public Mass Transit	0.4625%	50%	---
City – KCATA	0.4125%	---	---
City – Public Safety	0.2500%	50%	50%
City – Firefighters	0.5000%	50%	---
City – Parks	0.5000%	50%	---
City – Central City	0.1250%	---	---
City – Food and Drink surtax	2.0000%	50%	---
County – General	0.5000%	50%	---
County – Combat	0.2500%	50%	---
County – Stadium	0.3750%	---	---
County – Children’s Fund	0.1250%	---	---
Zoo District	0.1250%	50%	---
State of Missouri	4.2250%	---	---

Earnings Taxes	Rate	TIF	Super-TIF
Kansas City	1.000%	50%	50%
Property Taxes	**Rate**	**TIF**	**Super-TIF**
Kansas City	1.5960%	75%	---
Jackson County	0.6110%	75%	---
Mental Health Fund	0.1008%	75%	---
EITAS	0.0620%	---	---
Blind Pension Fund	0.0300%	---	---
Mid-Continent Library	0.3633%	75%	---
Hickman Mills SD	5.5784%	75%	---
Metro Community College	0.2047%	75%	---
M&M Replacement	1.4370%	---	---

In addition, the applicant proposes the creation of a Community Improvement District ("CID") which would impose a 1% sales tax on economic activity within the boundaries of the district. Because the revenues and expenses related to the CID are self-contained and do not impact other taxing jurisdictions, we do not include these in our analysis.

Per-capita Costs and Revenues

For each entity with taxing authority over the project, we have reviewed the most recent available financial statements and used this information to generate per-capita and per-worker costs and revenues. On the revenue side, we have excluded property, sales, and earnings taxes in the overall calculation, because these sources are calculated separately based on specific project data. Including them in the per-capita calculations would result in double-counting of the revenues. Other revenue line items (permits, fines, intergovernmental transfers, etc.) were allocated between residential and commercial/industrial sources, from which we derived revenues per capita and per commercial/industrial employee.

On the expenditures side, we looked at each line item for operating expenses and allocated each expense between residential and commercial/industrial uses. Similarly, we allocated each jurisdiction's net capital investment between the two categories. From these, we calculated total costs per capita and per worker.

For revenues and costs alike, we calculate total average values, as opposed to marginal costs and revenues. This has the effect of overstating the impacts of new population, because a significant proportion of each jurisdiction's costs and revenues are fixed, and thus would change very little based on population growth. At the present time, a study of marginal costs for each jurisdiction and each project is outside the scope of our analysis.

For the purposes of illustration, we present a scenario in which half of each jurisdiction's per-capita costs and revenues are treated as fixed, with the other half growing in proportion to additional residents and workers. Our findings in the following section show the results of both the full average cost scenario and the 50% marginal cost scenario.

Findings

Our projections indicate that over the first ten years of the development, positive net benefits will be shown by each jurisdiction to varying degrees. Significant impacts are seen by the city and county, the school district, the zoo district, and the state of Missouri. Other jurisdictions see impacts amounting to less than $3,000 per year for the 10-year period.

Impacts for each jurisdiction are estimated as follows:

10-Year Economic Impacts

Taxing Authority	Public Benefits:	Public Costs & Incentives:	Net Benefits (Costs):
City of Kansas City	7,829,288	5,555,865	2,273,423
Jackson County	2,526,972	992,143	1,534,830
Mental Health Fund	29,828	22,476	7,352
EITAS	28,399	12,584	15,815
Blind Pension Fund	15,125	3,288	11,836
Mid-Continent Library	106,407	81,454	24,952
Kansas City Zoo District	228,873	119,416	109,457
Hickman Mills School District	1,896,117	1,364,781	531,336
Metro Community Colleges	127,637	120,226	7,410
State of Missouri	11,260,383	4,066,122	7,194,261

Measured over the longer term, the trend is similar. Total impacts for each jurisdiction are shown below.

23-Year Economic Impacts

Taxing Authority	Public Benefits:	Public Costs & Incentives:	Net Benefits (Costs):
City of Kansas City	19,112,511	13,740,064	5,372,447
Jackson County	6,073,644	2,448,157	3,625,487
Mental Health Fund	85,756	63,318	22,437
EITAS	81,203	35,623	45,580
Blind Pension Fund	43,269	9,309	33,960
Mid-Continent Library	305,969	229,480	76,489
Kansas City Zoo District	545,475	278,284	267,191
Hickman Mills School District	5,417,736	3,846,520	1,571,215
Metro Community Colleges	363,997	339,722	24,275
State of Missouri	28,043,257	11,510,710	16,532,547

As mentioned earlier, our projections use full total average costs based on population of residents and workers, which include fixed costs that would not be impacted proportionally by growth, thus overstating the net costs to each jurisdiction. If we were to assume, for the sake of argument, that 50% of costs and revenues were fixed, and limit our calculations to the 50% remaining as variable, the impacts to each entity would be as follows:

50% Fixed Cost Scenario: 10-Year Economic Impacts

Taxing Authority	Public Benefits:	Public Costs & Incentives:	Net Benefits (Costs):
City of Kansas City	7,369,846	4,707,697	2,662,150
Jackson County	2,451,977	841,250	1,610,728
Mental Health Fund	29,491	18,688	10,803
EITAS	23,165	6,292	16,874
Blind Pension Fund	11,976	1,644	10,332
Mid-Continent Library	105,741	67,579	38,162
Kansas City Zoo District	222,715	109,711	113,004
Hickman Mills School District	1,726,363	1,094,695	631,668
Metro Community Colleges	93,421	75,243	18,178
State of Missouri	9,899,256	2,033,061	7,866,195

Because the number of new households projected to come to the area is limited, the impacts of changing the per-capita cost calculations are similarly limited.

Looking at the full 23-year period, impacts are as follows:

50% Fixed Cost Scenario: 23-Year Economic Impacts

Taxing Authority	Public Benefits:		Public Costs & Incentives:		Net Benefits (Costs):
City of Kansas City	17,811,886		11,339,000		6,472,886
Jackson County	5,861,342		2,020,996		3,840,346
Mental Health Fund	84,802		52,596		32,205
EITAS	66,388		17,811		48,577
Blind Pension Fund	34,354		4,655		29,700
Mid-Continent Library	304,085		190,200		113,885
Kansas City Zoo District	528,043		250,810		277,233
Hickman Mills School District	4,937,182		3,081,939		1,855,243
Metro Community Colleges	267,136		212,379		54,757
State of Missouri	24,190,066		5,755,355		18,434,711

A summary of each jurisdiction's impacts is included as an attachment to this report. If you have any questions about our assumptions or our analysis, please do not hesitate to contact us. We hope this report provides your policy makers with information of relevance to their decision making, and we hope we may be of service to you again in the near future.

Cost-Benefit Summary - 10-year analysis

Per-capita impacts calculated at 100% of total average revenues and costs.

Benefits	**City of Kansas City**	**Jackson County**	**Mental Health Fund**	**EITAS**	**Blind Pension Fund**	**Mid-Continent Library**	**Kansas City Zoo Dist.**	**Hickman Mills SD**	**Metro Community Colleges**	**State of Missouri**
Sales Taxes:	$ 6,033,298	$ 2,190,575	--	--	--	--	$ 216,558	--	--	$ 7,426,947
Property Taxes:	$ 445,351	$ 186,407	$ 29,154	$ 17,932	$ 8,827	$ 105,076	--	$ 1,556,609	$ 59,204	$ -
Income Taxes:	$ 431,755	--	--	--	--	--	--	--	--	$ 1,111,181
Other Revenues:	$ 918,883	$ 149,990	$ 674	$ 10,467	$ 6,298	$ 1,331	$ 12,316	$ 339,508	$ 68,432	$ 2,722,255
Total Revenues:	$ 7,829,288	$ 2,526,972	$ 29,828	$ 28,399	$ 15,125	$ 106,407	$ 228,873	$ 1,896,117	$ 127,637	$ 11,260,383
Costs										
Costs for Services:	$ 1,696,337	$ 301,786	$ 7,575	$ 12,584	$ 3,288	$ 27,751	$ 19,410	$ 540,172	$ 89,967	$ 4,066,122
Incentives:	$ 3,859,529	$ 690,356	$ 14,900	$ -	$ -	$ 53,704	$ 100,006	$ 824,609	$ 30,259	$ -
Total Costs:	$ 5,555,865	$ 992,143	$ 22,476	$ 12,584	$ 3,288	$ 81,454	$ 119,416	$ 1,364,781	$ 120,226	$ 4,066,122
Net Cost/Benefit										
Public Benefits:	$ 7,829,288	$ 2,526,972	$ 29,828	$ 28,399	$ 15,125	$ 106,407	$ 228,873	$ 1,896,117	$ 127,637	$ 11,260,383
Public Costs & Incentives:	$ 5,555,865	$ 992,143	$ 22,476	$ 12,584	$ 3,288	$ 81,454	$ 119,416	$ 1,364,781	$ 120,226	$ 4,066,122
Net Benefits (Costs):	**$ 2,273,423**	**$ 1,534,830**	**$ 7,352**	**$ 15,815**	**$ 11,836**	**$ 24,952**	**$ 109,457**	**$ 531,336**	**$ 7,410**	**$ 7,194,261**
Present Value of Public Benefits:	**$ 6,405,538**	**$ 2,072,767**	**$ 23,984**	**$ 22,823**	**$ 12,150**	**$ 85,567**	**$ 187,525**	**$ 1,526,129**	**$ 102,586**	**$ 9,214,132**
Present Value of Incentives:	**$ 3,170,443**	**$ 566,807**	**$ 11,970**	**$ -**	**$ -**	**$ 43,153**	**$ 82,367**	**$ 662,676**	**$ 24,312**	**$ -**

Cost-Benefit Summary - 23-year analysis

Per-capita impacts calculated at 100% of total average revenues and costs.

Benefits	**City of Kansas City**	**Jackson County**	**Mental Health Fund**	**EITAS**	**Blind Pension Fund**	**Mid-Continent Library**	**Kansas City Zoo Dist.**	**Hickman Mills SD**	**Metro Community Colleges**	**State of Missouri**
Sales Taxes:	$ 14,193,465	$ 5,131,106	--	--	--	--	$ 510,611	--	--	$ 17,365,942
Property Taxes:	$ 1,275,057	$ 517,934	$ 83,848	$ 51,573	$ 25,440	$ 302,201	--	$ 4,456,629	$ 170,274	$ -
Income Taxes:	$ 1,042,738	--	--	--	--	--	--	--	--	$ 2,970,933
Other Revenues:	$ 2,601,250	$ 424,604	$ 1,908	$ 29,630	$ 17,829	$ 3,768	$ 34,865	$ 961,107	$ 193,723	$ 7,706,382
Total Revenues:	$ 19,112,511	$ 6,073,644	$ 85,756	$ 81,203	$ 43,269	$ 305,969	$ 545,475	$ 5,417,736	$ 363,997	$ 28,043,257
Costs										
Costs for Services:	$ 4,802,128	$ 854,322	$ 21,444	$ 35,623	$ 9,309	$ 78,559	$ 54,948	$ 1,529,163	$ 254,687	$ 11,510,710
Incentives:	$ 8,937,936	$ 1,593,835	$ 41,874	$ -	$ -	$ 150,921	$ 223,336	$ 2,317,358	$ 85,036	$ -
Total Costs:	$ 13,740,064	$ 2,448,157	$ 63,318	$ 35,623	$ 9,309	$ 229,480	$ 278,284	$ 3,846,520	$ 339,722	$ 11,510,710
Net Cost/Benefit										
Public Benefits:	$ 19,112,511	$ 6,073,644	$ 85,756	$ 81,203	$ 43,269	$ 305,969	$ 545,475	$ 5,417,736	$ 363,997	$ 28,043,257
Public Costs & Incentives:	$ 13,740,064	$ 2,448,157	$ 63,318	$ 35,623	$ 9,309	$ 229,480	$ 278,284	$ 3,846,520	$ 339,722	$ 11,510,710
Net Benefits (Costs):	**$ 5,372,447**	**$ 3,625,487**	**$ 22,437**	**$ 45,580**	**$ 33,960**	**$ 76,489**	**$ 267,191**	**$ 1,571,215**	**$ 24,275**	**$ 16,532,547**
Present Value of Public Benefits:	**$ 12,211,569**	**$ 3,898,851**	**$ 52,573**	**$ 49,804**	**$ 26,525**	**$ 187,603**	**$ 350,666**	**$ 3,326,482**	**$ 223,344**	**$ 17,833,818**
Present Value of Incentives:	**$ 5,817,478**	**$ 1,039,486**	**$ 25,742**	**$ -**	**$ -**	**$ 92,810**	**$ 147,219**	**$ 1,425,243**	**$ 52,289**	**$ -**

Cost-Benefit Summary - 10-year analysis

Per-capita impacts calculated at 50% of total average revenues and costs.

Benefits	**City of Kansas City**	**Jackson County**	**Mental Health Fund**	**EITAS**	**Blind Pension Fund**	**Mid-Continent Library**	**Kansas City Zoo Dist.**	**Hickman Mills SD**	**Metro Community Colleges**	**State of Missouri**
Sales Taxes:	$ 6,033,298	$ 2,190,575	--	--	--	--	$ 216,558	--	--	$ 7,426,947
Property Taxes:	$ 445,351	$ 186,407	$ 29,154	$ 17,932	$ 8,827	$ 105,076	--	$ 1,556,609	$ 59,204	$ -
Income Taxes:	$ 431,755	--	--	--	--	--	--	--	--	$ 1,111,181
Other Revenues:	$ 459,442	$ 74,995	$ 337	$ 5,233	$ 3,149	$ 665	$ 6,158	$ 169,754	$ 34,216	$ 1,361,128
Total Revenues:	$ 7,369,846	$ 2,451,977	$ 29,491	$ 23,165	$ 11,976	$ 105,741	$ 222,715	$ 1,726,363	$ 93,421	$ 9,899,256
Costs										
Costs for Services:	$ 848,168	$ 150,893	$ 3,788	$ 6,292	$ 1,644	$ 13,875	$ 9,705	$ 270,086	$ 44,984	$ 2,033,061
Incentives:	$ 3,859,529	$ 690,356	$ 14,900	$ -	$ -	$ 53,704	$ 100,006	$ 824,609	$ 30,259	$ -
Total Costs:	$ 4,707,697	$ 841,250	$ 18,688	$ 6,292	$ 1,644	$ 67,579	$ 109,711	$ 1,094,695	$ 75,243	$ 2,033,061
Net Cost/Benefit										
Public Benefits:	$ 7,369,846	$ 2,451,977	$ 29,491	$ 23,165	$ 11,976	$ 105,741	$ 222,715	$ 1,726,363	$ 93,421	$ 9,899,256
Public Costs & Incentives:	$ 4,707,697	$ 841,250	$ 18,688	$ 6,292	$ 1,644	$ 67,579	$ 109,711	$ 1,094,695	$ 75,243	$ 2,033,061
Net Benefits (Costs):	**$ 2,662,150**	**$ 1,610,728**	**$ 10,803**	**$ 16,874**	**$ 10,332**	**$ 38,162**	**$ 113,004**	**$ 631,668**	**$ 18,178**	**$ 7,866,195**
Present Value of Public Benefits:	**$ 6,036,431**	**$ 2,012,519**	**$ 23,712**	**$ 18,620**	**$ 9,620**	**$ 85,032**	**$ 182,576**	**$ 1,389,750**	**$ 75,096**	**$ 8,120,632**
Present Value of Incentives:	**$ 3,170,443**	**$ 566,807**	**$ 11,970**	**$ -**	**$ -**	**$ 43,153**	**$ 82,367**	**$ 662,676**	**$ 24,312**	**$ -**

Cost-Benefit Summary - 23-year analysis

Per-capita impacts calculated at 50% of total average revenues and costs.

Benefits	**City of Kansas City**	**Jackson County**	**Mental Health Fund**	**EITAS**	**Blind Pension Fund**	**Mid-Continent Library**	**Kansas City Zoo Dist.**	**Hickman Mills SD**	**Metro Community Colleges**	**State of Missouri**
Sales Taxes:	$ 14,193,465	$ 5,131,106	--	--	--	--	$ 510,611	--	--	$ 17,365,942
Property Taxes:	$ 1,275,057	$ 517,934	$ 83,848	$ 51,573	$ 25,440	$ 302,201	--	$ 4,456,629	$ 170,274	$ -
Income Taxes:	$ 1,042,738	--	--	--	--	--	--	--	--	$ 2,970,933
Other Revenues:	$ 1,300,625	$ 212,302	$ 954	$ 14,815	$ 8,914	$ 1,884	$ 17,432	$ 480,553	$ 96,862	$ 3,853,191
Total Revenues:	$ 17,811,886	$ 5,861,342	$ 84,802	$ 66,388	$ 34,354	$ 304,085	$ 528,043	$ 4,937,182	$ 267,136	$ 24,190,066
Costs										
Costs for Services:	$ 2,401,064	$ 427,161	$ 10,722	$ 17,811	$ 4,655	$ 39,280	$ 27,474	$ 764,581	$ 127,343	$ 5,755,355
Incentives:	$ 8,937,936	$ 1,593,835	$ 41,874	$ -	$ -	$ 150,921	$ 223,336	$ 2,317,358	$ 85,036	$ -
Total Costs:	$ 11,339,000	$ 2,020,996	$ 52,596	$ 17,811	$ 4,655	$ 190,200	$ 250,810	$ 3,081,939	$ 212,379	$ 5,755,355
Net Cost/Benefit										
Public Benefits:	$ 17,811,886	$ 5,861,342	$ 84,802	$ 66,388	$ 34,354	$ 304,085	$ 528,043	$ 4,937,182	$ 267,136	$ 24,190,066
Public Costs & Incentives:	$ 11,339,000	$ 2,020,996	$ 52,596	$ 17,811	$ 4,655	$ 190,200	$ 250,810	$ 3,081,939	$ 212,379	$ 5,755,355
Net Benefits (Costs):	**$ 6,472,886**	**$ 3,840,346**	**$ 32,205**	**$ 48,577**	**$ 29,700**	**$ 113,885**	**$ 277,233**	**$ 1,855,243**	**$ 54,757**	**$ 18,434,711**
Present Value of Public Benefits:	**$ 11,412,972**	**$ 3,768,498**	**$ 51,987**	**$ 40,707**	**$ 21,051**	**$ 186,446**	**$ 339,960**	**$ 3,031,414**	**$ 163,871**	**$ 15,467,920**
Present Value of Incentives:	**$ 5,817,478**	**$ 1,039,486**	**$ 25,742**	**$ -**	**$ -**	**$ 92,810**	**$ 147,219**	**$ 1,425,243**	**$ 52,289**	**$ -**

EXHIBIT 10

Evidence of "But For"

Attached

bakertilly
MUNICIPAL ADVISORS
now joined with
Springsted and Umbaugh

Economic Development Corporation Of Kansas City

Pioneer Plaza

Updated But-For Determination Report

August 20, 2020

Contents

bakertilly
MUNICIPAL ADVISORS

now joined with
Springsted and Umbaugh

1. Purpose

The report that follows is pursuant to Missouri Statutes 99.800 et eq. relative to a determination that the proposed Redevelopment Project would not reasonably be anticipated to be developed without adoption of the TIF Plan.

We have approached this determination based on the proposed Projects' plans regarding redevelopment costs, outcomes, financing sources, and timing, to develop a measure of the Developer's expected return when compared to the amount of risk. If a project is owned and operated as an investment, a measure of return is calculated considering the time value of money, and involves an assumed sale of the property at a price appropriate in the market place. The final determination is based on whether or not a potential return is reasonable without the requested subsidy, within the current marketplace and at the present time.

The Developer (5615 E. Bannister Road, LLC) is requesting the following assistance for the project:

- Tax Increment Financing ("TIF");
- City Supplemental TIF Assistance ("Super-TIF"), and
- A Community Improvement District ("CID") will be created that will impose a one percent (1%) sales tax on all taxable retail sales within the redevelopment project area.

The Developer is requesting TIF assistance which anticipates the following revenues will be captured and re-directed to pay for certain eligible reimbursable redevelopment project costs associated with the project; 75% of incremental PILOT revenue along with 50% of the growth in EATS (individual sales tax & individual earnings tax) applicable to the TIF captured tax rates. Additionally, the Developer is seeking City Supplemental TIF assistance in the form of the 50% of uncaptured EATS revenues applicable to the City's TIF captured tax rates. The Developer is requesting the full 23-years of TIF revenue receipts, and a similar 23-years of City Supplemental TIF Assistance.

2. Executive summary

Shown in the tables below are the calculated internal rates of return with and without the subsidy request, based on the project costs and operating revenues of the proposed project. Determining if a project would occur without subsidy requires the testing of various assumptions which have a material effect on a project's feasibility. We have tested the sensitivity of the return without assistance by varying the cost and the revenue assumptions, each independently and then collectively. The reason for testing sensitivity is to illustrate the magnitude with which project assumptions would have to change in order for the project to be considered feasible without assistance. Table A, below, details the significant findings of the sensitivity analysis:

Table A

Without Assistance Sensitivity Analysis	Change Necessary to be Feasible	Rate of Return without Assistance
Decreased Costs	69% Decrease	6.77%
Increased Revenue	187% Increase	6.70%
Combined Cost and Revenue Changes	51% Decreased Costs 51% Increase Rev	6.98%

The table above indicates the magnitude at which project assumptions would have to change for the project to have a feasible rate of return without assistance. Based on the Price Waterhouse Cooper Real Estate Investor Survey the current range of unleveraged market returns for a project of this nature is 5.50% to 11.0%, with an average of 7.71% which we used as our feasibility benchmark. Absent the changes outlined above, the projects would not attract a return sufficient to exceed the Developer's threshold for investment and would not likely be completed through private enterprise alone.

Table B, below, illustrates the Developer's projected rates of return with and without assistance:

Table B

Pro Forma	With Assistance	Without Assistance
Unleveraged	6.66%	-7.59%

3. The project

The Developer is proposing the redevelopment of a portion of the site into a retail development containing an approximately 48,500 sf grocery store and an anticipated fast food pad site. The project will be located at the southwest corner of the intersection of Bannister Road and Hillcrest and is approximately 6.89 acres in size.

The Developer is proposing the demolition of the existing building and the construction of a new grocery store, including pharmacy, of approximately 48,500 sf. Additionally, the Developer is anticipating the development of a fast-food pad site within the redevelopment property. The Developer will be undertaking the demolition of the existing vacant retail building, and will be undertaking necessary site improvements and the construction of a new parking lot.

The Developer of the project 5615 E. Bannister Road, LLC. The Developer anticipates construction commencing on construction of the project in the third quarter of 2020, with project completion anticipated for August 2021.

4. Redevelopment Costs

The total cost of the project is detailed in Table C below. The Developer has not yet identified costs for which they will be seeking TIF reimbursement.

Table C

Total Project Costs	Total Cost	% of Total Project Costs
Land/Building Acquisition	$1,359,874	9.73%
Hard Costs	8,147,500	58.32%
Soft Costs	4,461,786	31.94%
Total Project Costs	**$13,969,160**	**100%**

Acquisition

The Developer originally acquired the redevelopment site in 2014 for a cost of approximately $2,600,000. This acquisition was for a larger development site, of which only a portion will be located within the proposed TIF District. For purposes of estimating the amount applicable to the development of the grocery store and fast food pad site the Developer applied a pro-rata share to the original acquisition price based on the portion of the land area that will be within the TIF District, resulting in the estimated amount of $1,359,874.

Hard Costs

The total cost grouped together as hard costs are detailed in Table D below.

Table D

Total Hard Costs	Total Cost	% of Total Project Costs
Hard Construction Cost	$6,397,878	45.80%
Demolition	52,490	0.38%
Parking & Sitework – Fast Food Site	280,000	2.00%
General Conditions	320,561	2.29%
Insurance	28,265	0.20%

Construction Bond	33,395	0.24%
Construction Contingency	425,000	3.04%
Construction Management Fee	310,911	2.23%
Signage	70,000	0.50%
Security	25,000	0.18%
Alternative Costs in Bid	204,000	1.46%
Total Hard Costs	**$8,147,500**	**58.32%**

The Developer provided a preliminary estimate for the total cost of hard construction of $8,147,500, on which their pro forma was based. The total hard costs equate to 58.32% of the total project cost, which equates to $167.99 per square foot.

The largest of this category is the line-item for the hard construction costs, which they have estimated at $6,397,878 for an approximately 48,500 square foot building based on the Developer's revised submittal, along with an additional amount for alternative costs in bid of $204,000. The new submittal dropped the previous parking & sitework line-item of $1,040,838, which we assume is now blended into the two previously mentioned hard-costs.

We have estimated the revised hard cost amount applicable to just the vertical building construction cost is $5,357,040, based on the sum of the Hard Construction Cost line-item and the Alternative Costs in Bid line-item, net of the previously identified parking and site-work cost estimate of $1,040,838. This equates to a vertical building construction cost of $110.45 per square foot. The tenant will be responsible for supplying the furniture, fixtures, and equipment (FFE) as well as the refrigeration units.

To provide a comparison, we compared the cost estimates to the Marshall and Swift Swiftestimator for estimated construction costs for grocery store building in the Kansas City metropolitan area. The Swiftestimator provided an average cost estimate of $96.33, with a range from $82.84 to $114.30 depending on building and construction material type. In comparison the Developer's per square foot cost assumption was $110.45. The Developer's revised submittal increased the anticipated hard construction costs to account for additional cost associated with meeting Davis Bacon wage requirements associated with the use of tax increment financing. Based on this the Developer's vertical building cost estimate appears reasonable.

The construction cost category is the largest segment of the development costs, accounting for 58.32% of the total project costs. Consequently, this is a segment where project costs savings could have a positive effect on the rate of return realized by the Developer, while higher than estimated costs would have the converse effect. In the return analysis section of the report, we discuss the sensitivity of the rate of return to changes in the project costs, and the effect on the return without assistance of a decrease in project costs.

Soft Costs

For purposes of this review we have grouped the cost categories in Table E below as Soft Costs:

Table E

Total Soft Costs	Total Cost	% of Total Project Costs
Architecture & Engineering	$466,650	3.34%
Owner's Representation	120,000	0.86%
Taxes	50,700	0.36%
Concrete Consultant	28,000	0.20%
Special Inspections	43,300	0.31%
Environmental Study	5,000	0.04%
Environmental Remediation	70,000	0.50%
Lender Site Inspections	15,000	0.11%
Previous Legal Fees	15,983	0.11%
Impact Fees	72,000	0.52%
Consultant Reimbursable	5,600	0.04%
Builders Risk Insurance	21,485	0.15%
Civil Lot Split	35,000	0.25%
Civil – Alta Survey	7,500	0.05%
Feasibility Study	12,000	0.09%
Appraisal	6,000	0.04%
Origination Fee	83,454	0.60%
Interest Carry – Construction Loan	510,000	3.65%
Interest Carry – Purchase/Insurance	578,614	4.14%
Broker Fees	357,000	2.56%
Property Tax During Construction	30,000	0.21%
Developer Fee	500,000	3.58%

TIF Blight Study	20,000	0.14%
TIF Financial Analysis	20,000	0.14%
TIF Legal – EDC	40,000	0.29%
Soft Cost Contingency	25,000	0.18%
SDG Incentive Fee	135,000	0.97%
Ownership Incentive – Legal Fee	75,000	0.54%
NMTC Fees – Combined	1,113,500	7.97%
Total	**$4,461,786**	**31.94%**

The total amount of the cost categories grouped under the soft cost heading in the revised submittal is $4,461,786, which equates to approximately 31.94% of the total development.

Reviewing the soft cost categories for largest percentage of the total project costs to smallest, the largest of the individual soft-cost line-items are the combined fees associated with the use of New Market Tax Credits (NMTC) which total $1,113,500 and equate to 7.97% of the total project costs. The use of NMTC adds additional soft costs to the project, resulting in a higher amount of soft costs and the category having a higher percentage of total project costs than maybe normal. However, the use of NMTC also creates an additional source of equity for the project in an amount greater than the fees incurred so the use of NMTC is a positive for the project and results in a net benefit. This amount did increase from the prior submittal by $424,000, with the majority of this change resulting from the addition of a $400,000 NMTC Reserve line-item. While this line-item did result in an overall increase to the total project costs, its impact on the projected rate of return was largely mitigated as it also resulted in the operating pro forma including additional reserve revenue being available to project cash flow during construction and the first 6-years of operation based on this line-item. While the project costs did increase due to this additional line-item, it also resulted in additional operating revenue resulting in essentially no net-impact to the rate of return analysis from the prior iteration.

The next most significant soft cost amount is the Interest Carry – Purchase/Insurance line-item which totals $578,614 and equates to 4.14% of the total project costs. This expense appears to pertain to costs incurred by the Developer in their carrying of the property since their initial purchase in 2014. Including this as a project cost does result in the overall return for the project being lower, however as illustrated later within the sensitivity analysis it would take a significant reduction in overall project costs for the project to be feasible and therefore the inclusion of this expense in the calculation of the without assistance return is not necessitating the need for incentives on its own. However, staff may wish to consider if they feel it is appropriate to include a pursuit cost such as this within the project budget and if the amount of financial assistance should be based on a rate of return without this line-item included.

The next largest soft cost is the revised Developer Fee line item of $500,000, which equates to 3.58% of the total project costs. This line-item was decreased in the revised submittal from the original amount of $550,000. No information explanation for the increase was provided within the updated submittal. At slightly 3.58% of the total project costs, this is a reasonable percentage for the Developer Fee.

The revised submittal included an increase to the line-item for Architecture, to also include expenses related to engineering and landscaping design within the line-item. The total amount under this new heading is now $466,650, which represents 3.34% of the total project costs. Previously the architecture and landscaping line-items totaled $270,000, so this new line-item represents an increase of approximately $196,650.

The revised submittal also included a revision to the anticipated Interest Carry – Construction Loan line-item increasing it to $500,000 from the prior estimate of $300,000. This line-item represent 3.65%, respectively. As a percentage of total project costs this is a reasonable estimate.

The next most significant soft costs are Broker Fees of $357,000, which equate to 2.56%. This line-item was decreased in the revised project information, down from a previous amount of $415,000. Detail for how this cost was estimated was not included within the submittal. Staff may wish to verify this amount.

Included as a new idem within the revised project information is a line-item for Owner's Representation of $200,000, which equates to 1.50% of the total project cost. No further detail for this line-item was included within the submittal.

The final significant soft cost amount at 0.97% of total project costs is an Incentive Fee for Sunflower Development Group of $135,000.

The other remaining soft costs line-items, all of which represent individually 1% or less of total project costs, and in total are $801,022 which equates to approximately 5.73% of the total project costs. The revised submittal included a number of new smaller line-items grouped within this category that increased this amount grouping of soft costs by $348,900 from the prior submittal.

In the "Return Analysis" section of the report we discuss the sensitivity of the rate of return to changes in the project costs, and the effect on the return of a decrease in project costs.

5. Assistance request

The Developer is requesting assistance for the project in the form of statutory TIF assistance, City supplemental assistance, and a one percent (1%) CID sales tax on all taxable retail sales within the redevelopment project area.

The Developer is requesting statutory TIF assistance which anticipates the following revenues will be captured and re-directed to pay for certain eligible reimbursable redevelopment project costs associated with the project; 75% of incremental PILOT revenue along with 50% of growth in EATS (individual sales tax & individual earnings tax) applicable to the TIF-eligible sales tax rates. This is assistance is being sought for the full 23-year period of available TIF assistance.

The Developer is also seeking supplemental assistance or "Super-TIF" from the City, in the form of the 50% of EATS revenue applicable to City tax rates not captured by Statutory TIF. This assistance is being requested for the same 23-year time-period of the standard TIF assistance.

In addition to the TIF assistance the Developer has also requested the creation of a CID sale tax of 1%. This tax will be applied to all taxable sales within the redevelopment project area. Technically, the first 50% of the CID sales tax will be captured as TIF revenue and the remaining 50% will be captured as CID sales taxes.

The requested assistance will be on a pay-as-you-go basis with the Developer initially funding all redevelopment project costs and receiving reimbursement for eligible redevelopment project costs as the TIF and CID revenues are captured and re-directed. The Developer has projected the statutorily available revenues captured and re-directed under TIF, which include the PILOTS, EATS, and CID sales tax revenues. However, their application did not identify the anticipated principal amount of these revenue streams nor the specific items for which reimbursement will be sought.

For purposes of illustrating the Developer's assistance request we have calculated a net present value of the various revenue streams In Table F below based on a 5.5% interest rate.

Table F

Net Present Value (NPV) of Requested Assistance	NPV Amount at 5.5%
Captured PILOT Revenue (75% Capture of Incremental Growth)	$1,909,480
Captured Statutory TIF EATS – Sales	$3,759,177
Captured Statutory TIF EATS – Income	$164,165
TIF Captured Portion – 1% CID Sales Tax	$895,419
Non-TIF Captured Portion – 1% CID Sales Tax	$895,419

City Supplemental EATS – Sales	$1,218,567
City Supplemental EATS – Income	$164,165
Total NPV of Assistance Request	**$9,006,392**

The Developer will be responsible for funding the entirety of the project costs initially and will be receiving the anticipated TIF, Super-TIF, and CID assistance on a pay-as-you-go basis. In addition to using anticipated debt and equity, the Developer is also seeking the use of New Market Tax Credits (NMTC) as an additional source of equity for the project.

Table G provides the anticipated sources that will be utilized to fund the redevelopment project.

Table G

Sources:	
Private Debt & Equity	$11,516,160
NMTC Net Equity Amount	$2,453,000
Total Sources	**$13,969,160**

6. Return analysis

Utilizing the operating pro forma prepared by the Developer we evaluated the need for assistance for the proposed development by comparing the potential return with and without assistance. The Developer provided an 11-year operating pro forma for the development based on a one-year build-out and first year stabilization, and operating revenue and expense assumptions. Utilizing the information provided by the Developer's pro forma we calculated an unleveraged internal rate of return (IRR) calculation after the 11-years of the pro forma. We utilized this IRR analysis to illustrate the potential return with and without the requested assistance. The return realized by the Developer is a result of the assumptions used in the creation of the operating pro forma, therefore a number of steps must be performed to analyze the reasonableness of the assumptions used.

The first step in analyzing the return to the Developer is to determine if the costs presented are reasonable. We have discussed a portion of the costs above and have commented on the mechanics whereby cost savings on the private side could occur. If cost savings for the Developer's share occur absent any other changes, the Developer would realize a greater return than projected.

The second step in calculating the return to the Developer is to determine if the operating revenues and expenses of the proposed development are reasonable.

- The Developer has projected an anticipated net lease rate for the grocery store of $5.71 year.
- Additionally, the Developer has projected a pad sale price for the fast food pad of approximately $400,000
- The Developer has projected the only operating expenses they will incur are an annual management expense of 3.5% of lease revenue and an annual replacement reserve.

We reviewed internal comparable project data to attempt to evaluate the projected lease rate for the grocery store, as third-party market information is limited in availability for this specific grocery store use. Based on the comparable project data we evaluated it does appear that the identified lease rate is less than what we have seen previously. Though, this is a true triple net lease rate with the tenant responsible for all operating expenses of the building as well as a significant amount of tenant improvements and all specialty equipment. In the sensitivity analysis below, we comment on the rate at which lease revenues and the pad sale price for the fast food pad would have to increase for the project to be feasible without assistance. The rate at which these assumptions would have to change for the project without assistance would require a lease rate significantly above what we would anticipate a market rate to be. That said, staff may still wish to verify the final terms of the lease agreement with the tenant upon its execution.

The calculation of an internal rate of return requires the assumption of a hypothetical sale of the asset in the final year of the operating pro forma. The inclusion of this hypothetical sale is used purely for purposes of evaluating the return on the Developer's investment. The determination of the potential market value of the project, through a hypothetical sale, is necessary as it allows for the inclusion of the value of the asset into the rate of return calculation. The calculation of an IRR without the hypothetical sale would result in an understated return, as the return would not be taking into account the value of the real estate asset. The use of a hypothetical sale assumption is not indicative of the Developer's intention to sell the development in the final year.

The third step in analyzing the return to the Developer is to determine if the assumptions for the hypothetical sale of the asset are reasonable. A critical assumption when valuing the asset at the time of the hypothetical sale is the capitalization rate. The available net operating income divided by the capitalization rate results in the assumed fair market value of the asset. The Developer did not provide an estimate for the fair market value of the asset, so for purposes of completing the IRR analysis we utilized a capitalization rate of 7.0%, and a 3.0% cost of sale, to calculate the hypothetical sale value. In reviewing historical cap rate trends for multi-family developments, we feel 7.0% is consistent with historical trends.

An unleveraged IRR calculation is used in order to compare the potential return to the Developer based on the Price Waterhouse Cooper (PWC) Real Estate Investor Survey, First Quarter 2020, which provides a market comparison on which project feasibility can be judged.

Table H below, shows our calculation of the Developer's base rate of return without assistance and the return with varying levels of assistance.

Table H

Developer Pro Forma Baker Tilly Calculated IRR	Unleveraged IRR
Without assistance	-7.59%
With Assistance	6.66%

To evaluate the rate of return a project of this nature would require to be considered "feasible" we consulted the Price Waterhouse Cooper Real Estate Investor Survey prepared for the first quarter of 2020. This survey provides a resource for comparing the Developer's rate of return to a market benchmark to help determine feasibility. According to the developers surveyed, the typical unleveraged market return necessary for them to pursue a project of this nature falls in a range from 5.50% to 11.00%; with an average return of 7.71%. By nature the PWC survey is a conservative benchmark for rates of return, the use of a conservative threshold for determining project feasibility further emphasis the but-for finding by purposely using a lower feasibility threshold for evaluating the feasibility of the project without assistance.

Sensitivity analysis

In order to answer the question “is the development likely to occur without public assistance” we analyzed the without incentive scenarios, using the Unleveraged Return Analysis Pro Forma without assistance as the basis for the sensitivity analysis. The sensitivity analysis is performed in order to understand the magnitude at which project costs would have to decrease, or conversely project revenues would have to increase, for the project to be considered feasible. For this sensitivity analysis we used the Developer’s return with assistance of 6.66% as the sensitivity benchmark.

To understand the impact of the project cost assumptions, we performed a cost sensitivity analysis to determine the rate at which project costs would have to be reduced for the projected rate of return to be in excess of our feasibility benchmark without assistance. Table I illustrates the development would need to realize a 69% reduction in project costs in order to be feasible without assistance. Given a 69% reduction in costs the project would have a rate of return of 6.77%.

Table I

Project Costs Sensitivity	Reduction in Project Costs	Rate of Return without assistance
	69%	6.77%

To understand the impact of increased revenues, we have performed a sensitivity analysis to determine the rate at which project revenues (net lease rate and pad sale price), would have to increase for the projected rate of return to be in excess of our feasibility benchmark without assistance. Table J illustrates the development would need to realize a 187% increase in project revenues for the project to be feasible without assistance. Given a 187% increase in project revenues, the project would have a rate of return of 6.70% which falls into the reasonable range.

Table J

Project Revenue Sensitivity	Increase in Project Revenue	Rate of Return without assistance
	187%	6.70%

As a final step in the sensitivity analysis, and to understand the impact of a combined change in project costs and project revenues, we have performed a sensitivity analysis to determine the rate at which these areas would have to change for the projected rate of return to be in excess of our feasibility benchmark without assistance. Table K illustrates the development would need to realize a combined 51% decrease in project costs and a 51% increase in project revenues for the project to be feasible without assistance. Given these changes in assumptions the project would have a rate of return of 6.98%.

Table K

Combined Sensitivity	Reduction in Project Costs	Increased Project Revenues	Rate of Return without assistance
	51%	51%	6.98%

The three tables above (Tables I, J, and K) indicate the magnitude at which project assumptions would have to change for the project as a whole to have a rate of return in excess of the 6.66% feasibility benchmark used in the sensitivity analysis. Absent changes of the magnitude outlined above; the project would not have a sufficient return to draw market investment. Only by assuming either increases in project revenues, decreases in project costs, or a combination of the two does the return increase to a feasible level without public assistance. However, we project changes of the magnitude outlined above are unlikely to be realized, which indicates the proposed project, when viewed as a whole, would not likely be completed through private enterprise alone.

7. “But-For” conclusion

The Developer will bear all the risk until project completion and permanent financing is in place and continued operating risk thereafter. This level of risk typically demands a positive return with a range between 5.50% and 11.00% based on the PWC Survey, with an average return of 7.71%. The unleveraged rate of return with assistance is 6.66% and without is -7.59%.

Based on their assumptions for project costs and operating revenues, the development absent assistance is unlikely to be undertaken due to inadequate return. Therefore, we conclude the proposed project would not occur on this site at this time without a public subsidy.

EXHIBIT 11

Blight Study

Attached

Blight Study of Former Kmart Shopping Center
Part of 5601 Bannister Rd and 5619 Bannister Rd, Kansas City, Jackson County, MO 64137

Date of Report: June 7, 2020

JLL File Number: 1403-20-159501

Valuation and Advisory Services

Former Kmart Shopping Center
Part of 5601 Bannister Rd and 5619 Bannister Rd
Kansas City, MO 64137

JLL

7500 College Boulevard, Suite 920
Overland Park, KS 66210

Phone: 913-236-4700
Fax: 913-236-4307

June 7, 2020

Economic Development Corporation of Kansas City and 5615 E. Bannister Rd., LLC
c/o Ms. Heather Brown
Executive Director, TIF Commission
300 Wyandotte, Suite 400
Kansas City, Missouri 64105

Re: Blight Study

Former Kmart Shopping Center
Part of 5601 Bannister Rd and 5619 Bannister Rd
Kansas City, Jackson County, MO 64137

File Number: 1403-20-159501

Dear Ms. Brown:

JLL Valuation & Advisory Services is pleased to submit the accompanying Blight Study of the area described herein. The purpose of the study is to develop an opinion of the presence or absence of blight factors within the study area as defined in Chapter 67.1401 of Revised Statute of Missouri (RSMo).

The client for the assignment is the property owner, 5615 E. Bannister Rd., LLC and Economic Development Corporation of Kansas City (EDC), and the intended use is to assist the client in evaluating a request for development incentives. According to the RSMo 67.1401 addressing Community Improvement Districts, a Blighted Area is "an area which, by reason of the predominance of defective or inadequate street layout, insanitary or unsafe conditions, deterioration of site improvements, improper subdivision or obsolete platting, or the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors, retards the provision of housing accommodations or constitutes an economic or social liability or a menace to the public health, safety, morals or welfare in its present condition and use."

The study area is comprised of two tracts. First and the larger is part of the former Kmart Shopping Center located 5601 Bannister at the southwest corner of Bannister and Hillcrest in Kansas City, Missouri. This part of the study area totals 6.89 acres and includes a +-49,000 square foot building which was previously part of the Kmart store, built in 1971 and closed in 2014. Since 2014 the remainder of this building, some 67,000 square feet, has been redeveloped for Cube Smart and is now climate-controlled self-storage. Also included in the study area, and under different ownership is the unimproved 0.38-acre hard corner at Hillcrest Rd. and Bannister Rd. This site has no record of ever having been developed and is inaccessible from either road due to traffic control requirements. This smaller site needs access via easement from the surrounding site to be developed. The site and building improvements in the study area are in poor condition. The entire study area totals 7.27 acres.

The Blight Study is intended to conform with the Uniform Standards of Professional Appraisal Practice (USPAP), the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute and applicable state statute.

I provide my findings in a consulting report, which is specifically designed to present my opinions in a manner and format appropriate for the assignment and sufficient to inform the client and intended users.

Based on the analysis in the accompanying report, and subject to the definitions, assumptions, and limiting conditions expressed in the report, my opinion of the absence or presence of the conditions of Blight is as follows.

Blighting Factors	Findings
Defective or inadequate street layout	Present
Insanitary or unsafe conditions	Present
Deterioration of site improvements	Present
Improper subdivision or obsolete platting	Present
Existence of conditions which endanger life by fire or other causes	Present
Retards the provision of housing accommodations	No
Constitutes an economic or social liability	Yes
A menace to the public health, safety, morals or welfare in its present condition and use	Yes

It is a hypothetical condition of this study that 5601 Bannister Road is legally subdivided as described by the owner and as presented herein.

As demonstrated in the attached consulting report, there are a predominance of the named blighting factors that are present at the study area. Thus the study area is a Blighted Area according to the definition found in RSMo 67.1401 as of June 7, 2020.

Your attention is directed to the Limiting Conditions and Assumptions section of this report. Acceptance of this report constitutes an agreement with these conditions and assumptions.

If you have any questions or comments, please contact the undersigned. Thank you for the opportunity to be of service.

Respectfully submitted,

JLL Valuation & Advisory Services, LLC

Kenneth Jaggers, MAI, FRICS
Managing Director
Certified General
Missouri Certificate #: RA003190
Telephone: (913) 748-4704
Email: Ken.jaggers@am.jll.com

Contents

Appendices

A. Appraiser Qualifications
B. Property Information
C. Engagement Letter

Certification Statement

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, impartial, and unbiased professional analyses, opinions and conclusions.
3. I have no present or prospective future interest in the property that is the subject of this report, and 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 engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined result or direction in result that favors the cause of the client the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this blight study.
7. My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP).
8. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
9. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
10. I certify sufficient competence to appraise this property through education and experience, in addition to the internal resources of the appraisal firm.
11. I have performed services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
12. Kenneth Jaggers, MAI, FRICS, has made an inspection of the study area.
13. No one provided significant blight study assistance to the persons signing this certification.

14. As of the date of this report, Kenneth Jaggers, MAI, FRICS, has completed the continuing education program for Designated Members of the Appraisal Institute.

Kenneth Jaggers, MAI, FRICS
Managing Director
Certified General
Missouri Certificate #: RA003190
Telephone: (913) 748-4704
Email: Ken.jaggers@am.jll.com

Summary of Salient Facts and Conclusions

Blight Factors	Findings
Defective or inadequate street layout	Present
Insanitary or unsafe conditions	Present
Deterioration of site improvements	Present
Improper subdivision or obsolete platting	Present
Existence of conditions which endanger life by fire or other causes	Present
Retards the provision of housing accommodations	No
Constitutes an economic or social liability	Yes
A menace to the public health, safety, morals or welfare in its present condition and use	Yes

It is a hypothetical condition of this study that 5601 Bannister Road is legally subdivided as described by the owner and as presented herein.

As demonstrated in the attached consulting report, there are a predominance of the named blighting factors that are present at the study area. Thus the study area is a Blighted Area according to the definition found in the Missouri Statute, RSMo 67.1401 as of June 7, 2020.

Introduction

The study area is comprised of two tracts. First and the larger is part of the former Kmart Shopping Center located 5601 Bannister at the southwest corner of Bannister and Hillcrest in Kansas City, Missouri. This part of the study area totals 6.89 acres and includes a +-49,000 square foot building which was previously part of the Kmart store, built in 1971 and closed in 2014. Since 2014 the remainder of this building, some 67,000 square feet, has been redeveloped for Cube Smart and is now climate-controlled self-storage.   Also included in the study area, and under different ownership is the unimproved 0.38-acre hard corner at Hillcrest Rd. and Bannister Rd. This site has no record of ever having been developed and is inaccessible from either road due to traffic control requirements. This smaller site needs access via easement from the surrounding site to be developed. The site and building improvements in the study area are in poor condition. The entire study area totals 7.27 acres.

Study Area Identification

Name	Former Kmart Shopping Center
Address	Part of 5601 Bannister Rd and 5619 Bannister Rd, Kansas City, Jackson County, MO 64137
Tax ID	Part of 49-540-01-07-00-0-00-000
Owner of Record	5615 Bannister Road, LLC and Alex (Haydar) Motaref
Legal Description	Lengthy legal descriptions of both parcels are included in the Property Information Appendix.

5615 E. Bannister Road, LLC acquired the entire property 116,000 SF on 12 acres in 2014 after Kmart had vacated the property. Alex (Haydar) Motaref acquired the hard corner at Bannister and Hillcrest in 2014 as well. Each transaction had a different seller and the buyers are not related.

Scope of Work

According to the Uniform Standards of Professional Appraisal Practice, it is the appraiser's responsibility to develop and report a scope of work that results in credible results that are appropriate for the conservation study problem and intended user(s).

Scope of work is the type and extent of research and analyses involved in an assignment. To determine the appropriate scope of work for the assignment, I considered the intended use of the conservation study, the needs of the user, the relevant characteristics of the study area, and other pertinent factors. I concluded scope of work is summarized below, and in some instances, additional scope details are included in the appropriate sections of the report.

Summary

Research	▪ I inspected the property and its environs. Physical information on the study area was obtained from the property owner's representative, public records, and/or third-party sources. ▪ Regional economic and demographic trends, as well as the specifics of the subject's local area were investigated. Data on the local and regional property market (supply and demand trends, rent levels, etc.) was also obtained. This process was based on interviews with regional and/or local market participants, primary research, available published data, and other various resources. ▪ Other relevant data was collected, verified, and analyzed. Comparable property data was obtained from various sources (public records, third-party data-reporting services, etc.) and confirmed with a party to the transaction (buyer, seller, broker, owner, tenant, etc.) wherever possible. It is, however, sometimes necessary to rely on other sources deemed reliable, such as data reporting services.
Methodology	▪ Based upon the study area characteristics, prevailing market dynamics, and other information, I have compared the study area to market expectations and requirements. ▪ I analyzed the data gathered using generally accepted consulting methodology to compare the study area to the factors identified in the TIF Statute. ▪ The findings are presented in such a manner to address the questions and requirements of the intended users. The conservation factors are enumerated into a final conclusion.

Applicable Requirements

This blight study is intended to conform to the requirements of the following:

- Uniform Standards of Professional Appraisal Practice (USPAP);
- Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute;
- The Missouri Statute.

Client, Intended Use, and User(s)

Client:	5615 E. Bannister Rd., LLC and Economic Development Corporation of Kansas City
Intended Use:	The intended use of assignment is in evaluating a request for development incentives. It is to document the existing physical, environmental, and economic conditions within the designated area and make a determination as to whether or not the area meets the criteria for designation as a 'Blighted Area' area as set forth within 67.1401 RSMo.
Intended User(s):	The intended user(s) of the Blight Study is the Economic Development Corporation of Kansas City, 5615 E. Bannister Rd., LLC, and the Kansas City, Missouri City Council. This study is not intended for any other use or user. No party or parties other than Economic Development Corporation of Kansas City, 5615 E. Bannister Rd., LLC, and the Kansas City, Missouri City Council. may use or rely on the information, opinions, and conclusions contained in this report.

Purpose of the Assignment

The purpose if the study is to develop an opinion of the presence or absence of blight factors within the study area as defined in Chapter 67.1401 of Missouri revised statutes as of the effective date of June 7, 2020. The date of the report is June 7, 2020. The Blight Study is valid only as of the state effective date or dates.

Prior Services

USPAP requires appraisers to disclose to the client any other services they have provided in connection with the study area in the prior three years, including valuation, consulting, property management, brokerage, or any other services.

- I have previously performed a Conservation Area study on the subject of this analysis. This was completed in January 2020 and the current assignment reflects a change in scope of that original assignment.

Report Option

I have developed and presented this report based on the intended users understanding of the subject's physical, economic and legal characteristics, and the intended use of this assignment.

Inspection

Kenneth Jaggers, MAI, FRICS, performed a complete on-site and interior and exterior inspection on November 21, 2019.

Definitions and Descriptions

The definitions below relate to the finding of the presence or absence of blight and are referred to throughout the study. Key words in each blighting characteristic and terms considered in developing my opinion is are defined below.

Blighted Area: An area which, by reason of the predominance of defective or inadequate street layout, insanitary or unsafe conditions, deterioration of site improvements, improper subdivision or obsolete platting, or the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors, retards the provision of housing accommodations or constitutes an economic or social liability or a menace to the public health, safety, morals or welfare in its present condition and use. (RSMo 67.1401).

Predominance**:** A superiority in weight, power, importance or strength. A superiority or excess in number or quality. (Merriam Webster). I evaluate my findings of the factors above and individually report if those factors occur or do not occur in the study area. My analysis identifies a predominance of the factors and the degree to which those factors impact the subject.

***Defective or Inadequate* Street Layout:** Having a defect or flaw: imperfect in form structure or function. (Merriam Webster) And not adequate: not enough or good enough. (Merriam Webster)

***Insanitary or Unsafe* Conditions:** Unclean enough to endanger health. (Merriam Webster). Able or likely to cause harm, damage, or loss. Not giving protection from danger, harm, or loss. (Merriam Webster).

Deterioration* of *Site Improvements: The act or process of becoming worse. The action or process of deteriorating. (Merriam Webster). Impairment of condition; a cause of depreciation that reflects the loss in condition due to wear and tear, disintegration, use in service, and the action of the elements. (The Dictionary of Real Estate Appraisal). Improvements on and off a site that make it suitable for its intended use or development. On-site improvements include grading, landscaping, paving, and utility hook-ups; off-site improvements include streets, curbs, drains, sidewalks and connecting utility lines. (The Dictionary of Real Estate Appraisal).

Improper *Subdivision* or Obsolete *Platting:* Laws that regulate the design and engineering standards for public improvements in a subdivision, e.g., streets, drainage, sewers, water, electricity, telephone, and street landscaping. (Dictionary of Real Estate Appraisal.) Planning, mapping or charting a subdivision indicating the location and boundaries of individual properties. (Dictionary of Real Estate Appraisal).

***Endanger* Life or Property by Fire and Other Causes:** To bring into danger or peril. (Merriam Webster).

Retards the Provisions of Housing: This characteristic of blight is not present within the study area.

Constitutes an *Economic* or *Social Liability:* Relating to, or based on the production, distribution, and consumption of goods and services. (Merriam Webster). Relating to society or its organization. (Merriam Webster). The quality or state of being liable. (Merriam Webster).

Menace* to *Public Health, Safety, Morals,* or *Welfare: A show or intention to inflict harm, a threat. (Merriam Webster). The health of the population as a whole, especially as the subject of government regulation and support. The welfare and protection of the general public. Ethical standards enforced in a society. The health, happiness, and fortunes of a person or group. (Dictionary.Com)

Each of the conditions defined above and identified within the study area are reflected in the study area's utility or value in the form of obsolescence as defined below.

***Obsolescence*:** One cause of depreciation; an impairment of desirability and usefulness caused by new inventions, changes in design, improved processes for production, or other external factors that make a property less desirable and valuable for a continued use; may be either functional or external. (Dictionary of Real Estate Appraisal). The impact of functional obsolescence is reported by predominant land uses and for the entire study area. Functional Obsolescence: An element of accrued depreciation resulting from deficiencies or super adequacies in the structure. (Dictionary of Real Estate Appraisal). External (Economic) Obsolescence: An element of accrued depreciation; a defect, usually incurable, caused by negative influences outside a site and generally incurable on the part of an owner, landlord, or tenant. (Dictionary of Real Estate Appraisal).

Area Demographics and Market Analysis

Jackson County Area Demographics

Jackson County is located in eastern Missouri, approximately 0 miles of . It is 604 square miles in size and has a population density of 1,184 persons per square mile. Jackson County is part of the Kansas City MSA, hereinafter called the Kansas City MSA, as defined by the U.S. Office of Management and Budget.

Population

Jackson County has an estimated 2019 population of 715,413, which represents an average annual 0.7% increase over the 2010 census amount of 674,158. Jackson County added an average of 4,584 residents per year over the 2010 - 2019 period, and its annual growth rate is greater than that of the State of Missouri.

Population Trends

		Population		Compound Ann. % Chng	
Area	2010 Census	2019 Est.	2024 Est.	2010 - 2019	2019 - 2024
1 mi. radius	4,459	4,439	4,435	0.0%	0.0%
3 mi. radius	53,116	54,649	55,437	0.3%	0.3%
5 mi. radius	151,010	156,672	160,002	0.4%	0.4%
Jackson County	674,158	715,413	738,790	0.7%	0.6%
Kansas City MSA	2,009,342	2,179,053	2,273,074	0.9%	0.8%
Missouri	5,988,927	6,255,541	6,401,680	0.5%	0.5%
United States	308,745,538	332,417,793	345,487,602	0.8%	0.8%

Source: Esri 2020. Compiled by JLL Valuation & Advisory Services, LLC.

Looking forward, Jackson County’s population is projected to increase at a 0.6% annual rate from 2019 - 2024, equivalent to the addition of an average of 4,675 residents per year. The Jackson County growth rate is expected to exceed that of Missouri, which is projected to be 0.5%.

Employment

The current estimate of total employment in Jackson County is 370,836 jobs. Since 2009, employment grew by 16,175 jobs, equivalent to a 4.6% gain over the entire period. There were gains in employment in eight of the past ten years despite the national economic downturn and slow recovery.

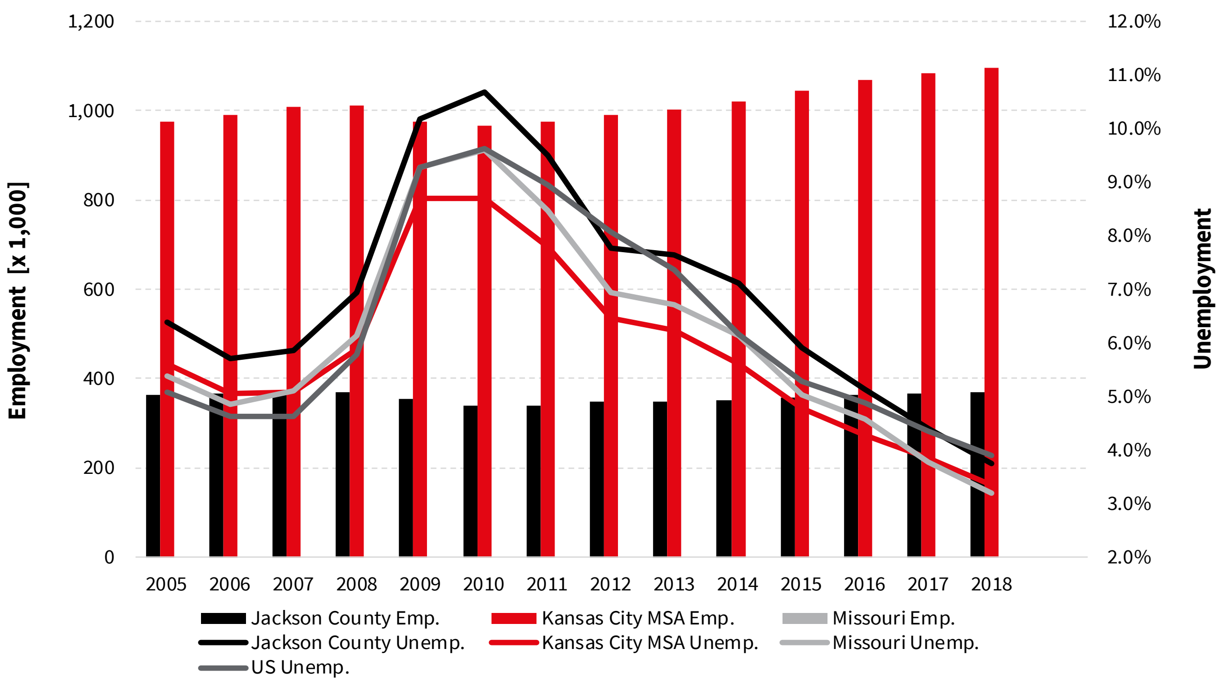
Jackson County's rate of change in employment underperformed the State of Missouri, which experienced an increase in employment of 7.1% or 190,517 over this period.

Employment Trends

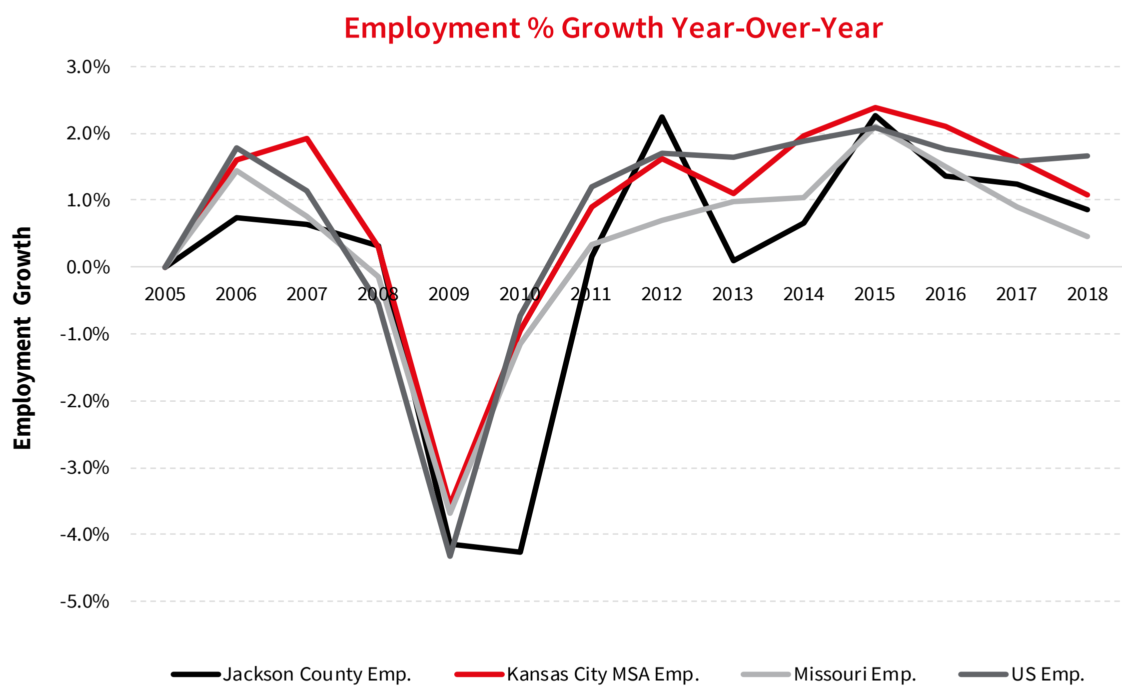
	Total Employment (Annual Average)								Unemployment Rate (Ann. Avg.)			
Year	Jackson County	Change	Kansas City MSA	Change	Missouri	Change	United States	Change	Jackson County	Kansas City MSA	Missouri	United States
2005	363,766	-	973,900	-	2,742,867	-	134,051,000	-	6.4%	5.6%	5.4%	5.1%
2006	366,482	0.7%	989,425	1.6%	2,782,600	1.4%	136,452,833	1.8%	5.7%	5.1%	4.9%	4.6%
2007	368,850	0.6%	1,008,425	1.9%	2,803,992	0.8%	137,999,083	1.1%	5.9%	5.1%	5.1%	4.6%
2008	369,985	0.3%	1,011,375	0.3%	2,799,875	-0.1%	137,241,417	-0.5%	6.9%	5.9%	6.1%	5.8%
2009	354,661	-4.1%	975,442	-3.6%	2,696,867	-3.7%	131,312,750	-4.3%	10.2%	8.7%	9.3%	9.3%
2010	339,564	-4.3%	966,208	-0.9%	2,665,733	-1.2%	130,361,500	-0.7%	10.7%	8.7%	9.6%	9.6%
2011	340,111	0.2%	974,850	0.9%	2,674,550	0.3%	131,931,833	1.2%	9.5%	7.8%	8.5%	9.0%
2012	347,733	2.2%	990,608	1.6%	2,693,467	0.7%	134,175,083	1.7%	7.8%	6.5%	7.0%	8.1%
2013	348,047	0.1%	1,001,433	1.1%	2,719,675	1.0%	136,381,167	1.6%	7.6%	6.2%	6.7%	7.4%
2014	350,321	0.7%	1,021,117	2.0%	2,748,233	1.1%	138,957,917	1.9%	7.1%	5.6%	6.1%	6.2%
2015	358,270	2.3%	1,045,483	2.4%	2,806,317	2.1%	141,843,083	2.1%	5.9%	4.8%	5.0%	5.3%
2016	363,137	1.4%	1,067,592	2.1%	2,848,208	1.5%	144,352,333	1.8%	5.1%	4.3%	4.6%	4.9%
2017	367,666	1.2%	1,084,725	1.6%	2,874,067	0.9%	146,624,167	1.6%	4.4%	3.8%	3.8%	4.4%
2018	370,836	0.9%	1,096,475	1.1%	2,887,383	0.5%	149,074,250	1.7%	3.8%	3.4%	3.2%	3.9%
10 Yr Change	**16,175**	**4.6%**	**121,033**	**12.4%**	**190,517**	**7.1%**	**17,761,500**	**13.5%**				
Avg Unemp. Rate 2009-2018									7.2%	6.0%	6.4%	6.8%
Unemployment Rate - Nov 2019									3.2%	2.8%	3.0%	3.3%

Source: Bureau of Labor Statistics. County employment is from the Quarterly Census of Employment & Wages (QCEW), all other areas use the Current Employment Survey (CES). Unemployment rates use the Current Population Survey (CPS). Data is not seasonally adjusted.

Employment / Unemployment Historical Trends



Source: Bureau of Labor Statistics. County employment is from the Quarterly Census of Employment & Wages (QCEW), all other areas use the Current Employment Survey (CES). Unemployment rates use the Current Population Survey (CPS). Data is not seasonally adjusted.

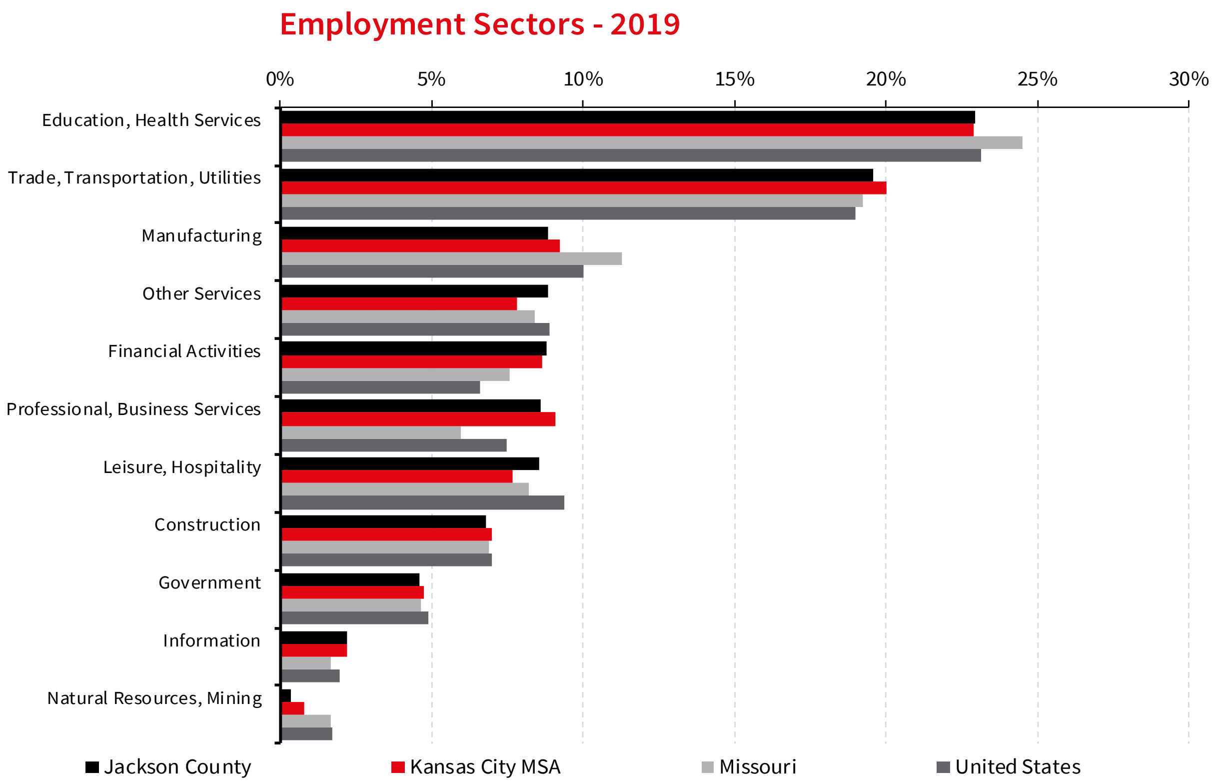


Source: Bureau of Labor Statistics. County employment is from the Quarterly Census of Employment & Wages (QCEW), all other areas use the Current Employment Survey (CES). Unemployment rates use the Current Population Survey (CPS). Data is not seasonally adjusted.

A comparison of unemployment rates is another way of gauging an area's economic health, where a higher unemployment rate is a negative indicator. Over the past decade, the Jackson County unemployment rate of 7.2% has been higher than the Missouri rate of 6.4%. In the latter half of the decade that trend has continued, as Jackson County has consistently underperformed Missouri. Recent data shows that the Jackson County unemployment rate is 3.2%, in comparison to a 3.0% rate for Missouri, a negative sign for Jackson County economy but one that must be tempered by the fact that Jackson County has outperformed Missouri in the rate of job growth over the past two years.

Employment Sectors

The composition of Jackson County job market is illustrated in the chart below, paired with that of Missouri. Total employment for the areas is stratified by eleven major employment sectors, ranked from largest to smallest based on the percentage of Jackson County jobs in each sector.



Source: Esri 2020. Compiled by JLL Valuation & Advisory Services, LLC.

Jackson County has a greater percentage employment than Missouri in the following categories:

1. Trade, Transportation, Utilities - which accounts for 19.6% of Jackson County payroll employment compared to 19.2% for Missouri as a whole. This sector includes jobs in retail trade, wholesale trade, trucking, warehousing, and electric, gas, and water utilities.
2. Other Services - which accounts for 8.8% of Jackson County payroll employment compared to 8.4% for Missouri as a whole. This sector includes establishments that do not fall within other defined categories, such as private households, churches, and laundry and dry-cleaning establishments.
3. Financial Activities - which accounts for 8.8% of Jackson County payroll employment compared to 7.6% for Missouri as a whole. Banking, insurance, and investment firms are included in this sector, as are real estate owners, managers, and brokers.
4. Professional, Business Services - which accounts for 8.6% of Jackson County payroll employment compared to 6.0% for Missouri as a whole. This sector includes legal, accounting, and engineering firms, as well as management of holding companies.

Jackson County is underrepresented in the following categories:

1. Manufacturing - which accounts for 8.9% of Jackson County payroll employment compared to 11.3% for Missouri as a whole. This sector includes all establishments engaged in the manufacturing of durable and nondurable goods.

2. Education, Health Services - which accounts for 22.9% of Jackson County payroll employment compared to 24.5% for Missouri as a whole. This sector includes employment in public and private schools, colleges, hospitals, and social service agencies.
3. Natural Resources, Mining - which accounts for 0.3% of Jackson County payroll employment compared to 1.7% for Missouri as a whole. Agriculture, mining, quarrying, and oil and gas extraction are included in this sector.

Major Employers

The table below contains major employers in the Kansas City MSA.

Major Employers - Kansas City MSA

Name	Employees
1 Cerner Corp.	14,000
2 HCA Midwest Health System	9,963
3 Saint Luke's Health System	9,700
4 Children's Mercy Hospital & Clinics	7,189
5 Ford Motor Co.	6,600
6 Hallmark Cards Inc.	5,200
7 Honeywell Inc.	4,409
8 Garmin International Inc.	3,759
9 Truman Medical Center	3,575
10 Amazon	3,200
11 Black & Veatch	2,981
12 Burns & McDonnell	2,924
13 United Health Group	2,700
14 Olathe Health System Inc.	2,550
15 Commerce Bank	2,550
16 Advent Health Shawnee Mission	2,533
17 BNSF Railway Co.	2,500
18 General Motors Fairfax Assembly Plant	2,260
19 UMB Financial Corp	2,123
20 Evergy Inc.	2,078

Sources: Kansas City Business Journal Book of Lists 2019.

Household Income

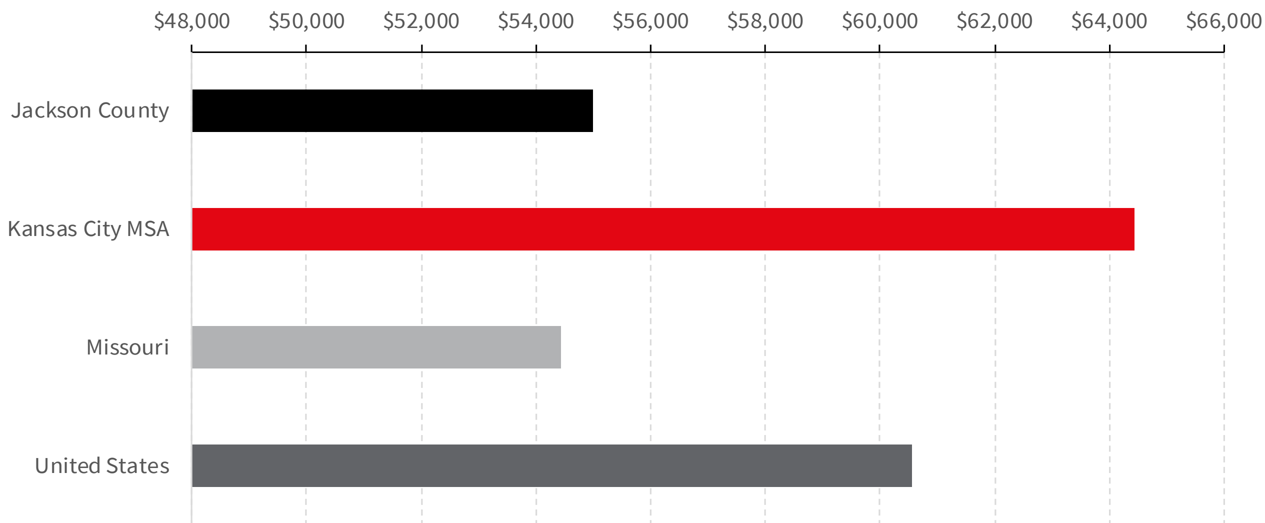
Jackson County has a higher level of household income than Missouri. Median household income for Jackson County is $55,004, which is 1.0% higher than Missouri.

Median Household Income

	Med. Household Income		Compound Ann. % Chng
Area	2018 Est.	2023 Est.	2018 - 2023
Jackson County	$55,004	$62,630	2.6%
Kansas City MSA	$64,438	$74,640	3.0%
Missouri	$54,440	$61,360	2.4%
United States	$60,548	$69,180	2.7%

Source: Esri 2020. Compiled by JLL Valuation & Advisory Services, LLC.

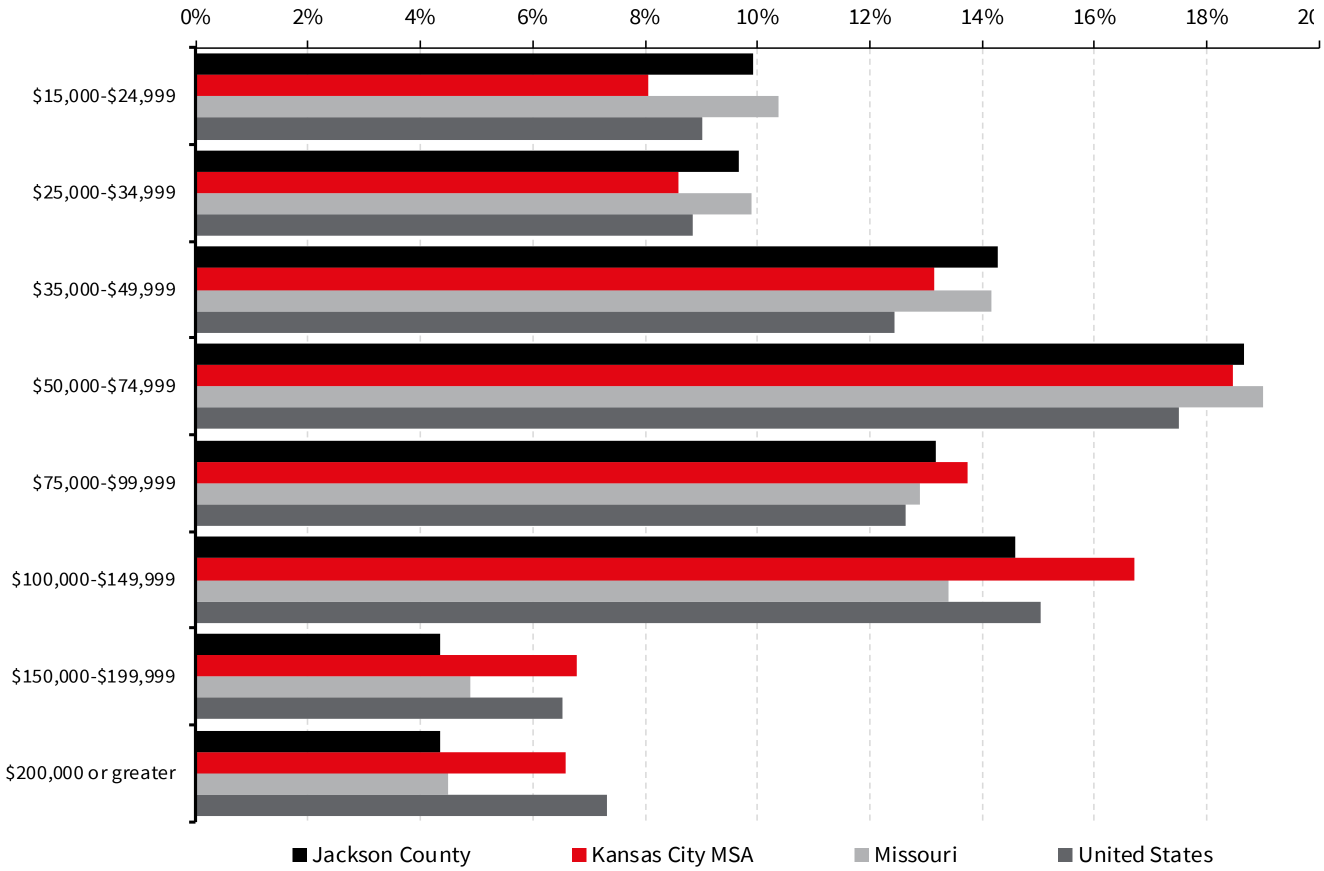
2019 Median Household Income Area Comparison



Source: Esri 2020. Compiled by JLL Valuation & Advisory Services, LLC.

Jackson County has a comparable concentration of households in the lower income levels than Missouri. Specifically, 31% of Jackson County households are below the $35,000 level in household income as compared to 31% of Missouri households. A very similar concentration of households exists in the higher income levels, as 36% of Jackson County households are at the $75,000 or greater levels in household income versus 36% of Missouri households.

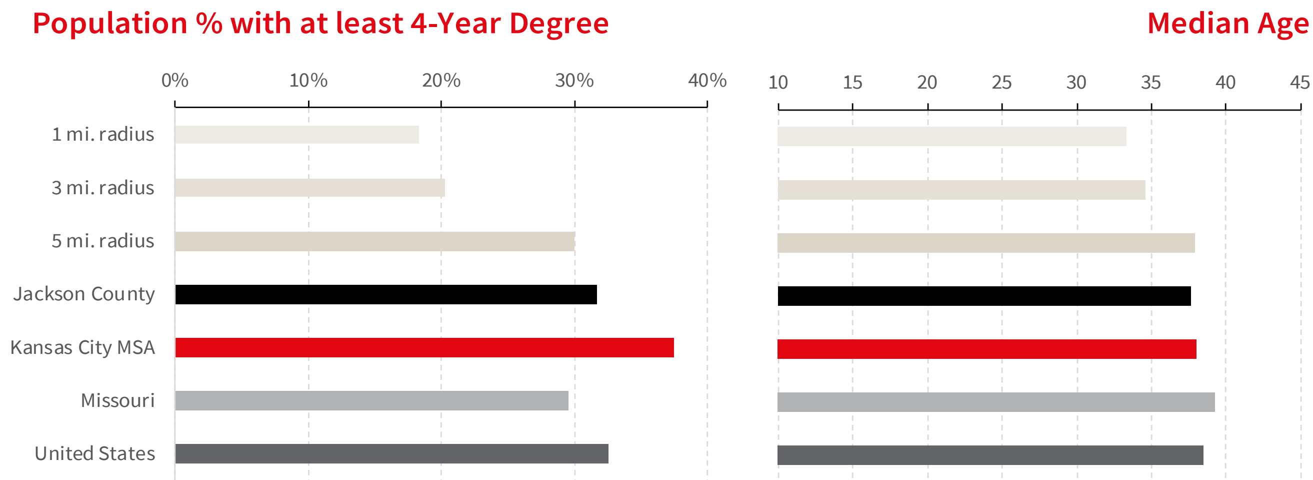
2019 Median Household Income Distribution



Source: Esri 2020. Compiled by JLL Valuation & Advisory Services, LLC.

Education and Age

Residents of Jackson County have a higher level of educational attainment than those in Missouri. An estimated 31.7% of Jackson County residents are college graduates with four-year degrees or higher, while Missouri residents have an estimated 29.5% with at least a four-year degree. People in Jackson County are younger than their peers in Missouri. The median age of Jackson County is 38 years, while Missouri is 39 years.

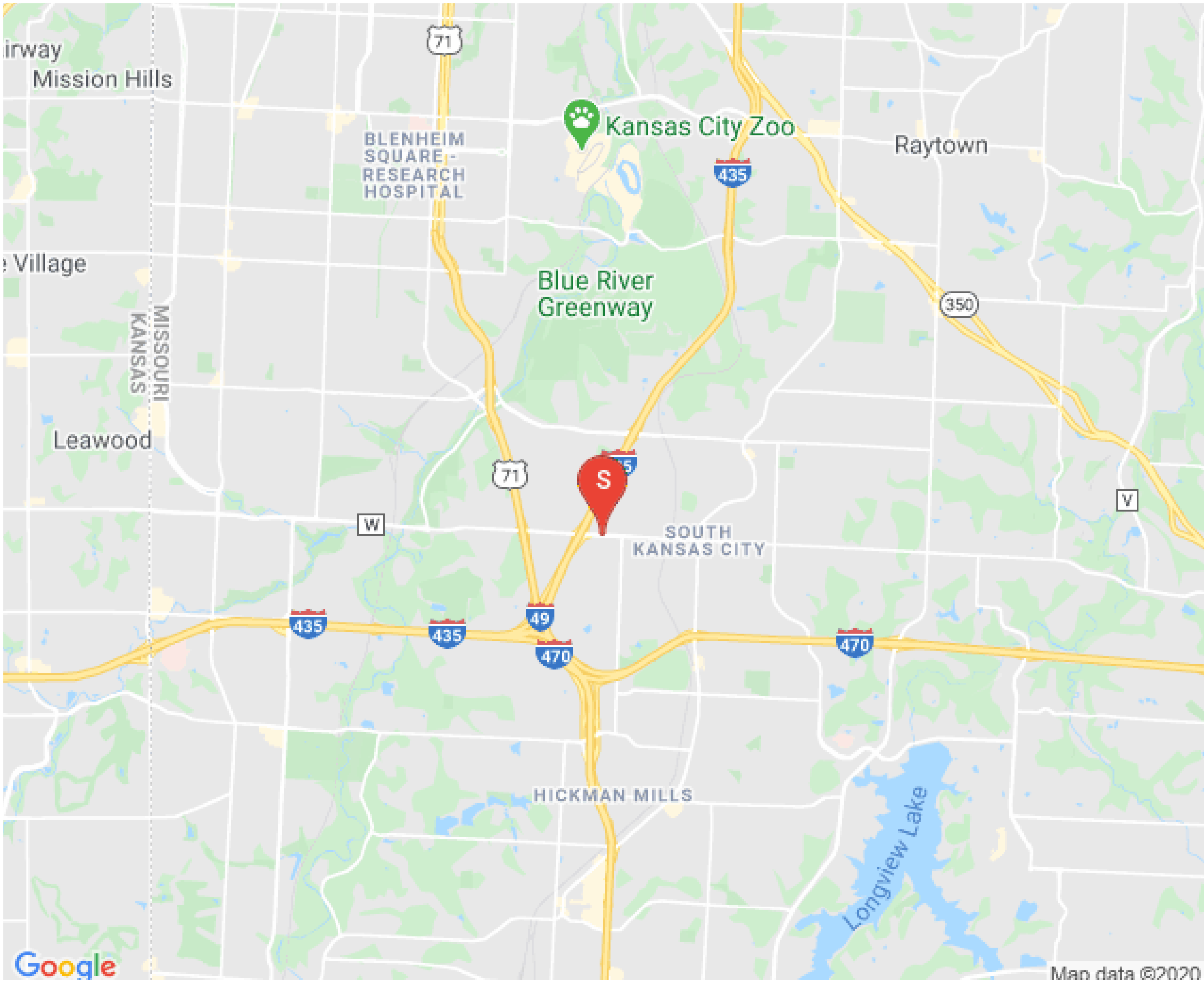


Source: Esri 2020. Compiled by JLL Valuation & Advisory Services, LLC.

Conclusion

Kansas City's economy will benefit from a growing population base, and higher income and education levels. Jackson County saw an increase in the number of jobs in the past 10 years, and it can be anticipated that employment growth will continue in the future.

Area Map


irway
Mission Hills
BLENHEIM SQUARE - RESEARCH HOSPITAL
Kansas City Zoo
Raytown
Village
Blue River Greenway
MISSOURI
KANSAS
Leawood
S
SOUTH KANSAS CITY
HICKMAN MILLS
Longview Lake
Google
Map data ©2020

Retail Market Area Analysis

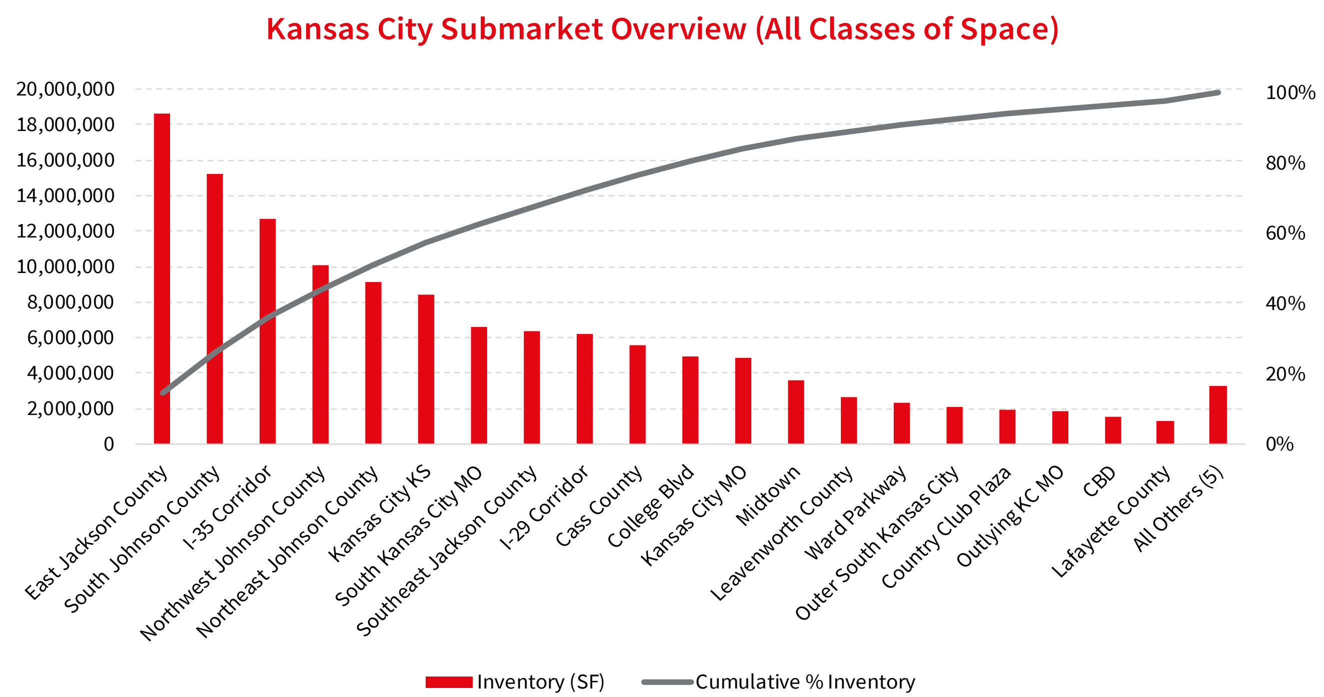
South KC Submarket Synopsis

The study area is located in the South KC submarket, as defined by CoStar. To effectively gauge investor interest in the subject's submarket, I evaluate key supply and demand metrics in comparison to other areas for all classes of space in the following table.

Kansas City Submarket Overview (All Classes of Space)

Submarket	Inventory (SF)	Asking Rent ($/SF)	Vacancy (%)	Vacancy (SF)	Completions (SF)	Absorption (SF)	Inventory, Under Cons (SF)
East Jackson County	18,585,751	$13.50	5.4%	1,009,079	24,014	131,995	7,814
South Johnson County	15,251,463	$19.36	5.6%	857,425	49,344	-5,021	97,300
I-35 Corridor	12,665,177	$14.46	5.8%	737,974	154,949	95,205	13,099
Northwest Johnson County	10,070,744	$16.35	4.1%	414,502	37,478	117,674	7,480
Northeast Johnson County	9,120,027	$16.62	8.6%	783,048	11,297	141,435	87,992
Kansas City KS	8,413,794	$15.93	4.1%	346,934	2,400	-67,522	0
South Kansas City MO	6,616,429	$12.61	11.6%	765,301	22,740	-48,161	2,640
Southeast Jackson County	6,338,024	$17.88	3.0%	188,850	5,000	101,769	0
I-29 Corridor	6,203,662	$17.28	5.7%	356,091	1,500	-129,626	8,000
Cass County	5,583,959	$13.40	5.7%	320,444	0	-35,129	0
College Blvd	4,965,422	$21.76	3.6%	180,623	0	51,066	0
Kansas City MO	4,897,518	$12.19	3.4%	168,099	21,408	-27,241	4,600
Midtown	3,604,429	$14.87	4.8%	173,426	11,953	2,035	0
Leavenworth County	2,662,007	$10.96	1.8%	46,783	0	88,086	0
Ward Parkway	2,302,891	$17.74	4.1%	93,320	0	-25,899	0
Outer South Kansas City	2,056,502	$10.68	3.5%	72,838	0	-30,088	0
Country Club Plaza	1,923,131	$31.55	1.8%	34,121	0	-1,629	0
Outlying KC MO	1,816,884	$8.05	0.1%	1,616	0	19,345	0
CBD	1,501,155	$18.27	0.2%	2,699	0	-9,015	0
Lafayette County	1,301,294	$6.24	14.4%	187,347	0	-20,582	0
Downtown Kansas KC KS	1,126,730	$8.48	1.8%	20,014	0	-1,585	0
Freight House District	880,604	$15.09	5.5%	48,122	0	-43,712	0
Crown Center	547,959	$16.71	1.2%	6,400	0	-22,343	0
Brookside	400,769	$27.01	1.8%	7,363	0	-3,693	0
West Bottoms	340,724	$13.27	0.8%	2,699	0	-3,156	0
Market Totals/Averages	**129,177,049**	**$15.61**	**5.3%**	**6,825,118**	**342,083**	**274,208**	**228,925**

Source: ©CoStar, Inc. 2019. Reprinted with the permission of CoStar, Inc. Compiled by JLL Valuation & Advisory Services, LLC.



Source: ©CoStar, Inc. 2019. Reprinted with the permission of CoStar, Inc. Compiled by JLL Valuation & Advisory Services, LLC.

When evaluated in comparison to the other submarkets in the area, South KC receives the following ratings:

South KC Submarket Attribute Ratings

Metric	Rating
Market Size/Stature	Average
Market Demand	Stable
Vacancy Trends	Increasing
Threat of New Supply	Above Average
Rental Trends	Decreasing

Retail Marketplace Profile

Retail sales levels in the subject's market are a fundamental indicator of demand. Given their considerable relevance, I have studied a Retail Marketplace Profile obtained from Esri and presented a summary in the following table. The opportunity gap or surplus available represents the difference between demand (retail potential) and supply (retail sales). An opportunity gap for new retail business is present when demand exceeds supply; however, when supply is greater than demand, there is already a surplus of retail volume in the radius analyzed. As shown on the following page there is an opportunity gap in the study area radius.

Retail Marketplace Profile: 3-mile radius

Retail Store Type	Demand (Retail Potential)	Supply (Retail Sales)	Opportunity Gap/Surplus
Motor Vehicle & Parts Dealers	$107,590,824	$50,572,574	$57,018,250
Furniture & Home Furnishings Stores	$15,848,466	$1,831,826	$14,016,640
Electronics & Appliance Stores	$15,012,790	$4,427,746	$10,585,044
Bldg Materials, Garden Equip. & Supply Stores	$32,589,973	$26,856,968	$5,733,005
Food & Beverage Stores	$84,070,483	$44,975,425	$39,095,058
Health & Personal Care Stores	$29,013,416	$27,976,811	$1,036,605
Gasoline Stations	$58,958,916	$39,236,560	$19,722,356
Clothing & Clothing Accessories Stores	$21,764,091	$2,585,511	$19,178,580
Sporting Goods, Hobby, Book & Music Stores	$14,423,729	$1,109,946	$13,313,783
General Merchandise Stores	$95,164,431	$6,093,882	$89,070,549
Miscellaneous Store Retailers	$20,584,487	$4,928,799	$15,655,688
Nonstore Retailers	$5,950,450	$35,789	$5,914,661
Food Services & Drinking Places	$53,494,382	$20,984,606	$32,509,776
Total Retail Sales including Eating & Drinking Places	**$554,466,438**	**$231,616,443**	**$322,849,995**

Source: Esri 2020. Compiled by JLL Valuation & Advisory Services, LLC.

- The total retail opportunity gap between demand (retail potential) and supply (retail sales) within a 3-mile radius of the study area is $322,849,995.
- The General Merchandise Stores retail category shows the largest opportunity gap within a 3-mile radius of the study area, equal to total value of $89,070,549.
- The least amount of retail opportunity is seen in the Health & Personal Care Stores category, which has an opportunity gap of $1,036,605 within a 3-mile radius of the study area.
- There were 13 retail store categories with an opportunity gap within a 3-mile radius of the study area.
- There were no retail store types with a retail surplus within a 3- mile radius of the study area.

The study area is within what was once, 30 years ago, a major retail hub in Kansas City with power centers and a regional mall serving a population base with close proximity to major employers. It has evolved to where the population is underserved by basic retail offerings and other consumer goods and services. The trend in the area was a long time in the making and changes in the neighborhood over the past few years are reversing the course. Much can be said about the investment of the City of Kansas City Missouri, in conjunction with Cerner and industrial developers such as Northpoint and Centerpoint, toward improving the entire area.

Retail Market Summary and Conclusions

A summary of vacancy rates across various market segments analyzed is shown in the ensuing table:

Vacancy Rate Summary

Market Segment	Vacancy Rate
Kansas City Metro Area	5.3%
South KC Submarket Area	11.6%
Subject Property - Current	100.0%

At present, the study area underperforms the submarket and the submarket underperforms the entire Kansas City Market. The public and private investment in the subject's immediate area are changing the fundamentals of the submarket and the study area in its current condition and use, does not facilitate continued improvement or investment in the area and is unlikely, in its current condition and use, to benefit from investment in the area.

Surrounding Area Analysis

Boundaries

The study area is located in the South Kansas City submarket. Its immediate surrounding area is described below:

North	Highway 350
South	Highway 150
East	Highway 350
West	US Highway 71/I-29

Surrounding Demographics

A snapshot of the surrounding area demographics, including population, households, and income data, is displayed in the following table.

Surrounding Area Demographics

	1 mi. radius	3 mi. radius	5 mi. radius	Jackson County	Kansas City MSA	Missouri	United States
Population							
2010	4,459	53,116	151,010	674,158	2,009,342	5,988,927	308,745,538
2019	4,439	54,649	156,672	715,413	2,179,053	6,255,541	332,417,793
2024	4,435	55,437	160,002	738,790	2,273,074	6,401,680	345,487,602
Compound Chg 2010 - 2019	-0.05%	0.32%	0.41%	0.66%	0.90%	0.49%	0.82%
Compound Chg 2019 - 2024	-0.02%	0.29%	0.42%	0.65%	0.85%	0.46%	0.77%
Density	1,414	1,933	1,995	1,184	300	91	94
Households							
2010	1,716	20,907	63,784	274,804	789,533	2,375,611	116,716,292
2019	1,701	21,391	66,011	291,668	855,210	2,475,548	125,168,557
2024	1,697	21,651	67,252	301,241	891,815	2,531,313	129,922,162
Compound Chg 2010 - 2019	-0.10%	0.25%	0.38%	0.66%	0.89%	0.46%	0.78%
Compound Chg 2019 - 2024	-0.05%	0.24%	0.37%	0.65%	0.84%	0.45%	0.75%
Other Demographics							
Med. Household Income	$48,100	$45,733	$51,655	$55,004	$64,438	$54,440	$60,548
Avg. Household Size	2.6	2.5	2.3	2.4	2.5	2.5	2.6
College Graduate %	18.3%	20.2%	30.0%	31.7%	37.5%	29.5%	32.5%
Median Age	33	35	38	38	38	39	39
Owner Occupied %	52%	52%	56%	57%	64%	66%	63%
Renter Occupied %	49%	48%	44%	43%	36%	34%	37%
Med. Home Value	$88,695	$96,721	$126,230	$152,916	$192,510	$167,653	$234,154
Med. Year Built	1964	1965	1964	1968	1976	1976	1977
Avg. Commute (min)	--	--	--	23	23	24	26

Source: Esri 2020. Compiled by JLL Valuation & Advisory Services, LLC.

As illustrated above, the current population within a three-mile radius of the study area is 54,649, and the average household size is 2.5. Population in the area has risen since the 2010 census, and this trend is expected to continue in the ensuing five years. The pace of population growth within a three-mile radius is projected to be less than that of Jackson County overall.

Median household income is $45,733, which is considerably lower than the household income for Jackson County as a whole. The populace within a three-mile radius has a notably lower level of formal college education than residents in Jackson County, and median home values in the area are also substantially lower.

Demand Generators

Major employers in the area include Cerner Corporation, Burns & McDonnell, and Black & Veatch. The closest major commercial corridors to the study area are Bannister Road and Red Bridge Road; providing average supporting retail and entertainment services. Development activity in the immediate area has been predominantly of office use. In addition, single family development has been modest over the last three years. Finally, the study area has good proximity to emerging and growing employers including St. Joseph Hospital, several GSA locations, Research Medical Hospital, and also numerous large employers in South Johnson County.

Cerner Trails Campus

Located on the site of the former Bannister Mall, the Cerner Trails Innovation campus is expected have more than 16,000 Cerner employees over the next decade and create a $4 billion economic impact in the area. The 290-acre site will include 16 buildings with over 4.7 million square feet of space. The new headquarters of Cerner Corporation is opening in phases with the first two towers opening in 2017, with Tower 3 and Tower 4 currently under construction. Tower 3 will be 11 stories and is expected to deliver in July 2020 while Tower 4 will be eight stories and is expected to deliver in February 2020.

Cerner Realization Campus

The Cerner Realization Campus is actually a renovated pharmaceutical manufacturing property and office complex acquired in two separate transactions over the past 12 years. The project is over one million square feet and is an on-going endeavor that will soon be staffed, in conjunction with the Innovation Campus, by up to 16,000 employees. It is located approximately one mile south of the Innovation Campus and it was once the Marion Labs headquarters.

Former Bannister Federal Complex

The Bannister Federal Complex is a highly contaminated site where Honeywell and the NNSA made nuclear missile parts. The site is approximately 310 acres with building improvements of greater than 2,000,000 square feet.   The site is now under private control and clean-up is nearly complete. It is planned for a 2.5 million square foot business park.

Three Trails Industrial Park

This is a development by NorthPoint. 1.2 million square feet have been built since this site was first entitled in 2015. These three buildings are located west of I-435 on 87th Street and are fully built out.

Aside from the projects above, there has been sporadic and small-scale redevelopment in the area.

Access and Linkages

Interstate 435 and U.S. Highway 71 provide access to the study area from the greater Kansas City metro area. The study area has good access to KCATA bus service. The nearest bus stop is located at the intersection of Hillcrest and Bannister Road, which is adjacent to the subject. Additionally, the study area has a walk score of 21. Virtually all daily activities outside of the home or business require use of an automobile.

The following table presents a summary of the convenience of walking and biking to amenities in the neighborhood around the study area, as well as its accessibility to public transportation.

Walk, Bike, and Transit Information

Metric	Rating (0-100)	Description
Walk Score	21	Car-Dependent
Bike Score	26	Somewhat Bikeable
Transit Score	37	Some Transit
Mass Transit	**Mi. from Subj.**	**Location**
Nearest Bus Stop	0.1	On Hillcrest At Bannister Southbound
Summary: 6 nearby routes: 6 bus, no rail/other		

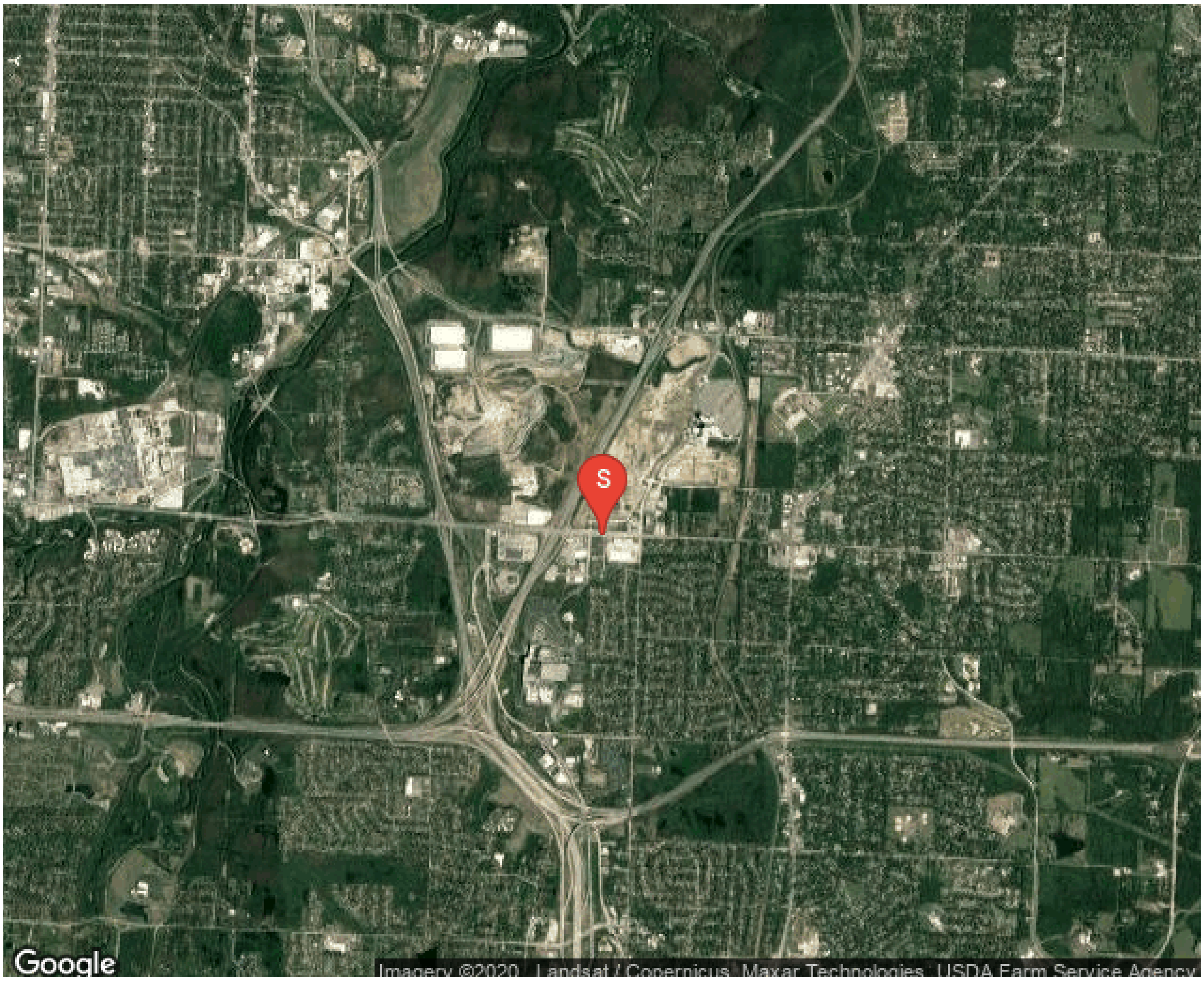
Source: Walkscore.com, updated 12/13/2019. Compiled by JLL Valuation & Advisory Services, LLC.

The nearest commercial airport is Kansas City International Airport and is located within 32 miles, or about a 45-minute drive of the study area.

Outlook and Conclusion

The subject's area has experienced recent employment growth with the Cerner campuses, and I expect continued growth for Cerner and also future business locating in the former Bannister Federal Complex. The study area and neighborhood are in-fill and represent some of the larger tracts of available land in close proximity to the city center. I consider the neighborhood to be in the revitalization stage of its lifecycle.

Surrounding Area Map



Property Description

Site Description

Aerial Map

Property boundaries are assumed based on preliminary site plan. For discussion purposes only.

Land Summary

Parcel ID	Gross Land Area (Acres)	Gross Land Area (Sq Ft)	Topography	Shape
Part of 49-540-01-07-00-0-00-000	6.89	300,128	The study area is sloping north to south and is approximately ten feet below Bannister Road elevation at the building.	Irregular
46-540-01-05-00-0-00-000	0.38	16,553	Subject starts at Bannister street level and slopes south slightly.	Rectangular
Totals	**7.27**	**316,681**		

Source: Jackson County Public Records and 5615 Bannister Road, LLC site plan.

Land Description

Shape	Irregular
Average Depth (Feet)	675
Average Width (Feet)	510
Corner Location	Study area is located at an intersection, but the hard corner location is not included in Lot 2A
Primary Street Frontage	Bannister Rd
Traffic Volume	15,607
Access Rating	Average
Visibility Rating	Poor due to topography
Functional Utility	Average
Topography	The study area is sloping north to south and is approximately ten feet below Bannister Road elevation at the building.
Landscaping	Minimal. Poor condition.
Drainage	No drainage problems were observed or disclosed to us during our inspection. This appraisal assumes that surface water collection is adequate.
Soil Conditions	The soil conditions observed at the subject appear to be typical of the region and adequate to support development.
Wetlands/Watershed	No wetlands were observed during our site inspection.
Flood Zone Designation	X
Flood Zone	The subject is outside the 500-year flood plain. The appraiser is not an expert in this matter and is reporting data from FEMA maps.
FEMA Map Number	29095C0384G
FEMA Map Date	January 20, 2017
Utilities	All public utilities are available to the site including public water and sewer, gas, electric, and telephone.
Utilities Adequacy	The subject's utilities are typical and adequate for the market area.

Environmental Hazards

An environmental assessment was not provided for review. No environmental hazards were apparent from inspection and it is assumed the Study area is free and clear of any environmental hazards including, without limitation, hazardous waste, toxic substances and mold.

Zoning Summary

Zoning Jurisdiction	Kansas City, Missouri
Zoning Code	MPD for the large parcel and UR for the 0.38 corner parcel
Zoning Description	MPD - Enhanced protection of natural resources, traditional urban development, mixed-use development, and mixed housing development are identified as most likely to benefit from the MPD designation. UR strives to provide a more efficient and effective relationship among land use activities and to preserve and enhance the natural, cultural, and architectural recourses and features and to integrate redevelopment projects into existing or planned development patterns.
Permitted Uses	To be determined during entitlement.
Zoning Density/FAR	As per approved plan
Actual Density of Use	0.15
Current Use Legally Conforming	Yes
Zoning Change Likely	Unknown
Zoning Change Description	NA
Maximum Building Height	As per approved plan
Maximum Site Coverage	As per approved plan
Set Back Distance (Feet)	As per approved plan
Side Yard Distance (Feet)	As per approved plan
Rear Yard Distance (Feet)	As per approved plan
Parking Requirement	As per approved plan
Other Land Use Regulations	I am not aware of any other land use regulations that would affect the property.
Source	Kansas City, Missouri

I am not an expert in the interpretation of zoning ordinances. An appropriately qualified land use attorney should be engaged if a determination of compliance is required.

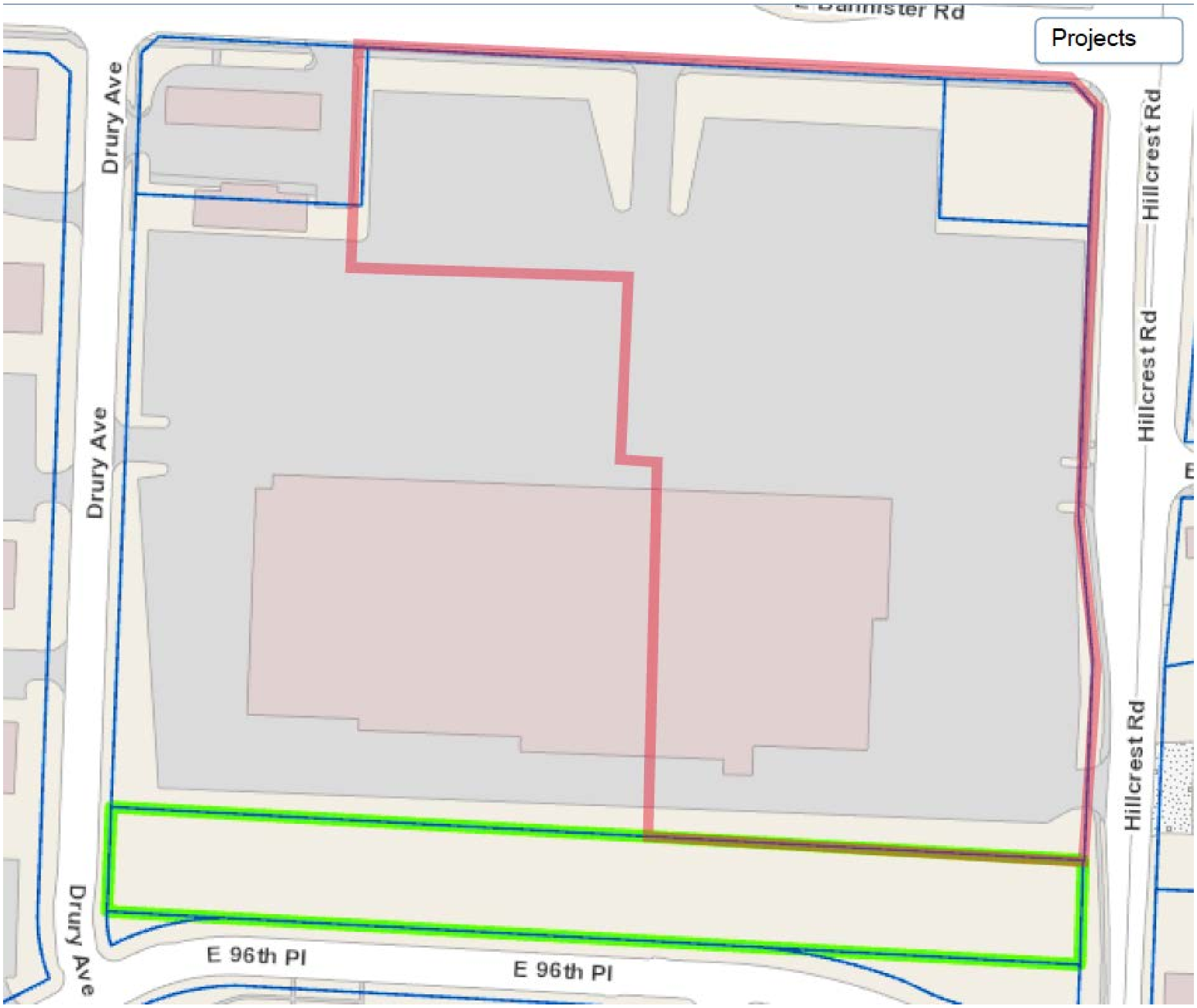
Encumbrance/Easements/Restrictions

Based upon a review of the deed, there are utility easements on the property as well as an encroachment and restrictive covenants. These title exceptions are not presently reviewable as an ALTA survey is not available. My analysis assumes no adverse impacts from easements, encroachments, or restrictions, and further assumes that the study area has clear and marketable title. ***It is a hypothetical condition of this study that 5601 Bannister Road is legally subdivided as described by the owner and as presented herein.***

Overall Site Utility

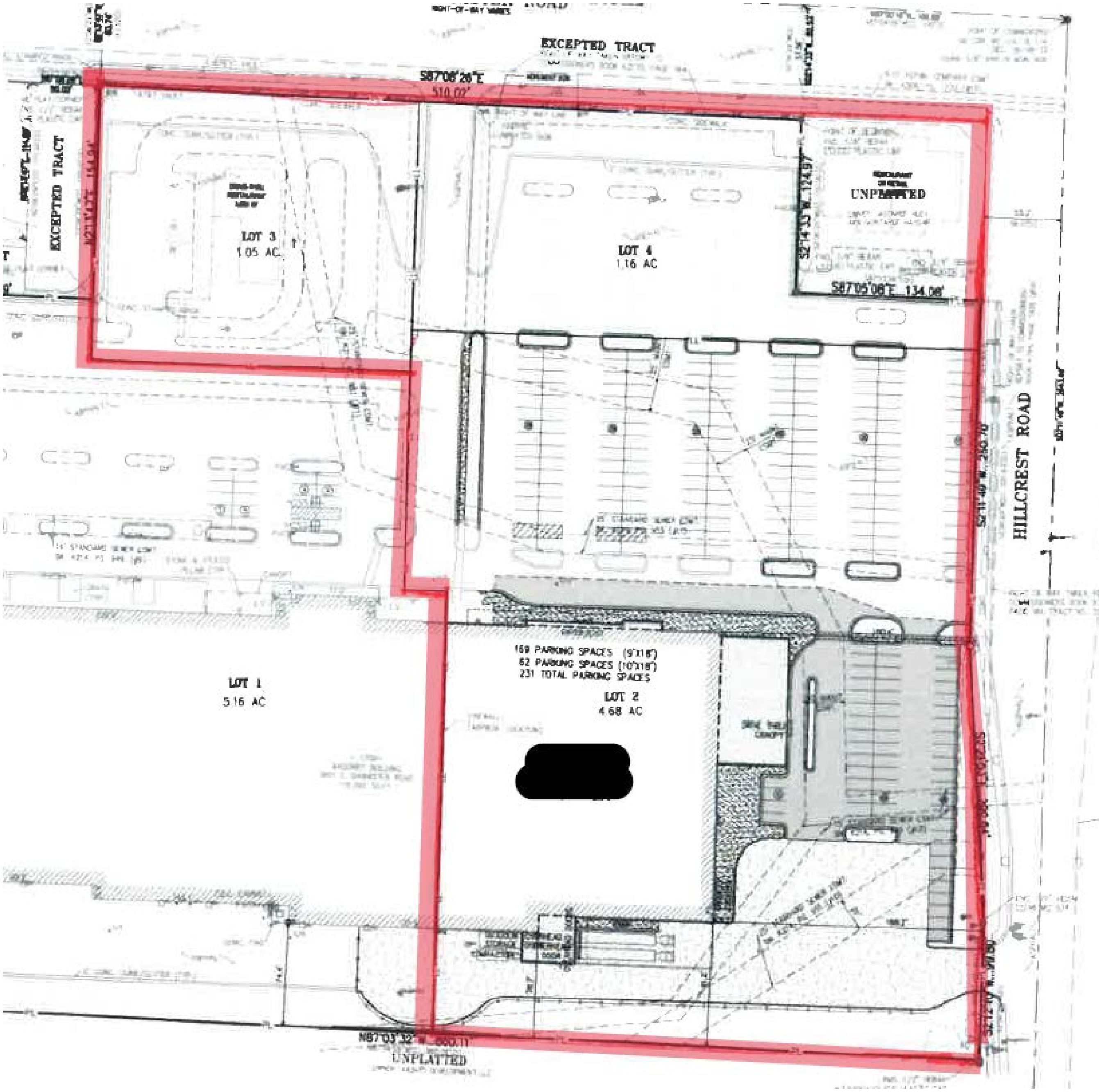
The site provides poor utility for its current or general retail use. It is negatively impacted by the topography which harms the visibility of building improvements. The current configuration of the site's ingress and egress is demonstrated to be inefficient and counterproductive to development. Also the ingress and egress encourage unlawful traffic looking to avoid the stop light at Bannister and Hillcrest. The topography is unsuitable for the position of the building.

Plat Map



Property boundaries are assumed based on preliminary site plan. For discussion purposes only.

Site Plan



Property boundaries are assumed based on preliminary site plan. This site outline is provided for discussion purposes only. Furthermore, it is a hypothetical condition of this study that the study area be legally subdivided as described above.

Zoning Map

The study area is presumed to be subdivided from 5601 Bannister Rd. The former Kmart shopping center is zoned MPD while the hard corner is zoned UR. The reader is reminded that the hard corner is under separate ownership.

Improvements Description

The study area is comprised of two tracts. First and the larger is part of the former Kmart Shopping Center located 5601 Bannister at the southwest corner of Bannister and Hillcrest in Kansas City, Missouri. This part of the study area totals 6.89 acres and includes a +-49,000 square foot building which was previously part of the Kmart store, built in 1971 and closed in 2014. Since 2014 the remainder of this building, some 67,000 square feet, has been redeveloped for Cube Smart and is now climate-controlled self-storage. Also included in the study area, and under different ownership is the unimproved 0.38-acre hard corner at Hillcrest Rd. and Bannister Rd. This site has no record of ever having been developed and is inaccessible from either road due to traffic control requirements. This smaller site needs access via easement from the surrounding site to be developed. The site and building improvements in the study area are in poor condition. The entire study area totals 7.27 acres.

Improvements Description

	Subject
General Description	
Building Name / Type	Former Kmart Shopping Center
General Property Type	Retail-Commercial
Occupancy Type	Single-Tenant
Occupancy	0.00%
Number of Buildings	1
Stories	1
Year Built	1971
Year Renovated	Unknown
Construction Class	Class C
Construction Type	Masonry
Construction Quality	Average
Condition	Poor
Building Areas and Ratios	
Number of Units	1
Gross Building Area (SF)	49,000
Rentable Area (SF)	49,000
Building Efficiency Ratio	100%
Land Area (SF)	316,681
Floor Area Ratio (GBA/Land SF)	0.15
Floor Area Ratio (RA/Land SF)	0.15
Building Area Source	Owner
Building Features	
Ancillary Structures	None
Special Features	None
Landscaping	Minimal. Poor condition.

Construction Description

Building Name / Type	Subject
Foundation, Frame, and Exterior	
Foundation	Poured concrete footings
Basement Area (Sublevels)	NA
Basement Area (SF)	NA
Basement Use	NA
Structural Frame	Masonry with light steel columns
Exterior	Concrete
Windows	None. Only windows in the entry doors and those are masked.
Roof/Cover	Flat membrane roof well past economic life. Leaking apparent during interior inspection.
Building Features	
Clear Height (Feet)	18
Mezzanine Floor Area (SF)	NA
Service/Overhead Doors	Two
Levelers	None
Drive-in Doors	None
Rail Service	No
Craneways	No
Interior Features	
Interior Layout	Open
Lobby/Common Area	Below Average
Floor Cover	Linoleum and polished concrete
Walls	Masonry
Ceilings	Open to grid
Lighting	Fluorescent lighting presently inoperable
Restrooms	Men's and women's
Finish Out Condition	Below Average
Mechanical Systems	
Heating	Inoperable
Cooling	Inoperable
Electrical	Service to the building presently inoperable.
Plumbing	Inoperable
Sprinklers	Inoperable
Elevators	None
Escalators	None
Security	None

Parking

Building Name / Type	Subject
Total Parking Spaces	333
Surface Spaces	333
Parking Type	Surface lot
Source of Parking Count	Appraiser Measurement
Parking Spaces/1,000 SF GBA	6.8
Parking Spaces/1,000 SF RA	6.8
Parking Condition	Poor
Parking Adequacy	Average

Effective Age and Economic Life

Building Name / Type	Former Kmart Shopping Center
Year Built	1971
Year Renovated	Unknown
Actual Age (Yrs.)	48
Estimated Effective Age (Yrs.)	50
Estimated Economic Life (Yrs.)	50
Remaining Economic Life (Yrs.)	0.00%

Improvements Analysis

Design & Functional Utility	The building is somewhat an odd size for a single tenant or owner user retail building at +-49,000 SF is smaller than modern supermarkets. Those recently developed in the Kansas City area are in excess of 60,000 SF. It's too large for most junior anchors like TJ Maxx, Home Goods, Ross etc. The visibility of the improvements is also inferior to that desired in the current retail environment.
Appeal & Appearance	Poor, inferior to competing and nearby properties.
Deferred Maintenance	During our inspection of the study area, we noted a significant amount of deferred maintenance. A physical needs assessment that was conducted in 2014 recognizing the tenant obligations at the time of vacating the building is included in the Appendix. The report identified $988,000 (on the entire 116,000 SF) in necessary repairs but I do not expect all of the building's deferred maintenance was recognized in that report. The subject's visible deferred maintenance is significantly higher and has only increased with the passage of the six years since Kmart vacated.
Capital Improvements	None are planned. Any meaningful improvement of the property will depend upon the ultimate approved use.
Personal Property	Our assignment considers only the real property, personal property is not included.
Furniture, Fixtures & Equipment (FF&E)	None
Americans With Disabilities Act	I am not an expert in ADA matters, and further study by an appropriately qualified professional would be recommended to assess ADA compliance.
Hazardous Substances	An environmental assessment was not provided for review. We discovered no environmental hazards in our inspection and we assume the subject is free and clear of any environmental hazards including, without limitation, hazardous waste, toxic substances and mold.

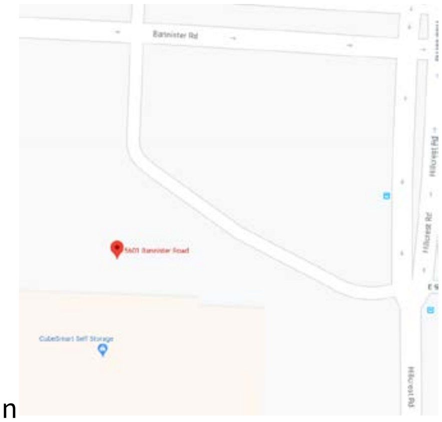
Improvements Conclusion

As will be demonstrated in the pictures and exhibits to follow, in conjunction with my prior discussion, the study are improvements are beyond the end of its useful life and it has not been maintained for at least the last six years. There is extensive deferred maintenance, the curing of which is not supported by the market absent a specific identified use and named tenant. In other words, it is not practical or feasible to undertake any efforts to cure deferred maintenance or otherwise improve the property as it sits today, vacant and with no apparent user in sight.

Blight Factors

Upon reviewing the exhibits and photographs to follow, it will become obvious that many of the examples cited are relevant and mentionable for more than one factor of blight cited in the definition.

Defective or Inadequate Street Layout



Shown to the right are two exhibits direct from Google Earth. The map and the aerial both show there to be a public cut-through on the study area. However, it is not a public or private street, though it continues to be used as a shortcut by vehicles and pedestrians. According the owner's representative, this is a common occurrence and the wide-open parking area with absolutely no traffic calming infrastructure to prevent precisely what I have observed and what is indicated by the two Google Earth exhibits to the right.

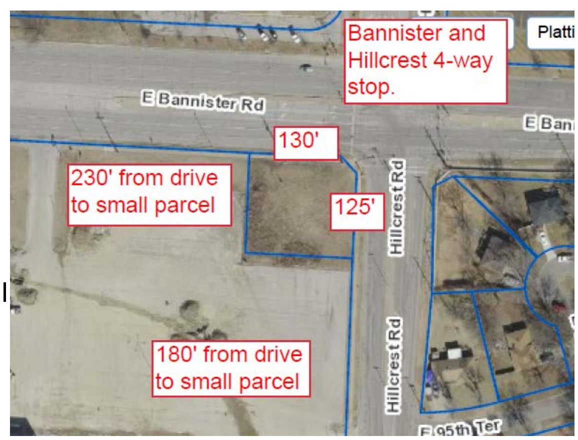
The combination of inaccurate public information and a defective street layout continues to negatively impact the study area. This has led to motorists driving recklessly in the study area. I observed excessive speeds which are even more dangerous due to the condition of the site improvements as shown later in this study.

Defective or Inadequate Street Layout - continued

The western boundary of the small parcel is 230 feet east of the study area's primary entrance from Bannister Road. This small parcel has approximately 130 feet of frontage which would put any ingress and egress to Bannister Road to close for practical traffic safety. Additionally, the lot frontage is 125 feet from north to south which and the south boundary is 180 feet from the study area entrance on Hillcrest. It is neither safe or practical to add any ingress and egress to the smaller area and more importantly it is not practical to improve the ingress and egress to the larger area.

That this parcel remains undeveloped is a significant distraction to the entire study area. The general public and more importantly, real estate professionals attribute its current status and history with a defective street layout and poor overall land planning.

The aerial to the right shows the impracticality of separate ingress and egress to the smaller parcel in noting the distances. I am unaware of easements or other agreements providing access to the smaller parcel.



Insanitary or Unsafe Conditions

The photograph to the right is evident on each light pole foundation in the study area. The power box and conduit are rusted and exposed creating an unsafe condition.

On the rear of the building is the loading area with two docks and access to the interior of the building via one overhead door. The drainage in this area is not sufficient and not safe. During warm months this area will certainly harbour mosquitos and other vermin. The rear docks are deteriorated to the extent they are both unsafe and insanitary.

To the right is a representative photograph of the parking lot spaces and parking aisle condition. In conjunction with the inappropriate use of the parking lot as a short-cut the condition of the parking lot is unsafe.

Insanitary or Unsafe Conditions - Continued

The photograph to the right is demonstrative of the condition of the site and minimal landscaping that is part of the study area and abuts the convenience store to the west. More evidence of insanitary and unsafe conditions.

These are representative examples of the study area boundaries.   Litter and public consumption of alcoholic beverages and other conditions are unsafe and insanitary. The entire periphery of the study area where it abuts planted areas or public right-of-way is a catch-all for litter either thrown out while on or adjacent the study area or wind-blown.

Insanitary or Unsafe Conditions - Continued

The way the building is situated on the site and the elevation change from Bannister Road to the south end of the site makes security difficult. These "burnout" marks are situated adjacent to the drive from Bannister and are located throughout the site indicating conditions unsafe to the vehicles and any incidental pedestrians cutting through the parking lot.

It has been reported that the study area parking lot is routinely used without explicit permission for staging for construction work on the surrounding streets. With all of the activity at the Cerner campus there is extensive utility and street work occurring. It may be that a temporary work-space easement is available but given the pedestrian activity of residents in nearby apartment properties and single-family homes this is an unsafe and attractive nuisance.

Deterioration of Site Improvements

The photograph to the right demonstrates that the entrance from Hillcrest Road has been compromised by continual traffic misuse and further exhibits the decline in condition.

Pictures 2 and 3 are representative of the condition of the parking area. The asphalt is crumbling in many places. Where there are curbs, they are damaged. In many areas there are no curbs, only deteriorated site improvements abutting unkept and overgrown lawn or bushes and, as mentioned before, litter. I also note that the paving and patching around utilities on the site are badly deteriorated.

Deterioration of Site Improvements - continued

Shown to the right is a representative example of the parking area lighting. As previously mentioned virtually every light pole had damage. The asphalt paving around the vertical site improvements is also deteriorated due to lack of maintenance.

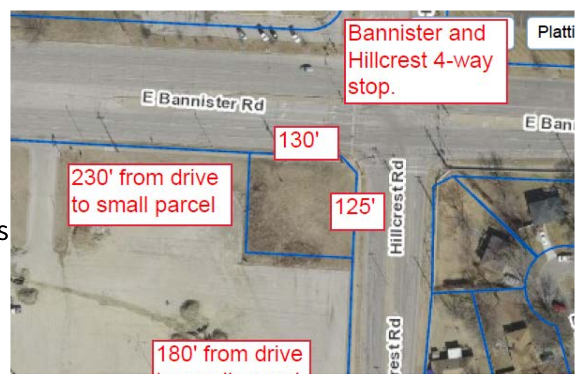
This photograph shows the extent to which the loading area has been untended noting weeds and standing water. The change in grade to facilitate the dock height loading is not properly drained indicating that there are deteriorated site improvements that are not visible at grade.

The condition of the sidewalk adjacent to the building as well as the surrounding landscaped area are demonstrated to be very poor, in many cases fully deteriorated.

Improper Subdivision or Obsolete Platting

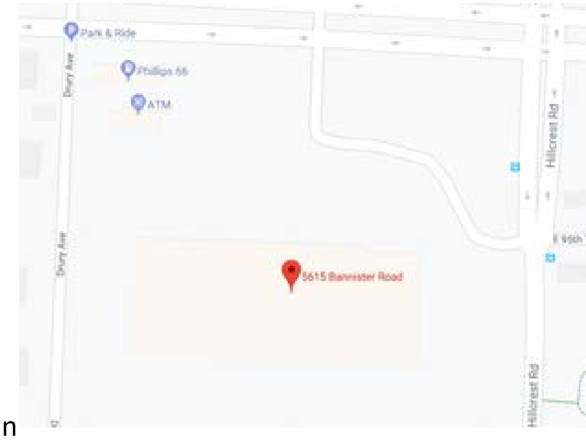
The photograph to the right demonstrates the significant elevation away from Bannister Road. Appropriate subdivision or platting would allow for the building improvements to be most visible from the surrounding streets, no at the very bottom of the site. There are numerous other Kmart sites in the area that demonstrate this same improper subdivision.

That the small parcel remains undeveloped is a significant distraction to the entire study area. The general public and more importantly, real estate professionals attribute its current status and history with a deleterious layout and poor overall land use.



The aerial to the right shows the western boundary of this parcel is 230 feet east of the study area's primary entrance from Bannister Road. This small parcel has approximately 130 feet of frontage which would put any ingress and egress to Bannister Road to close for practical traffic safety. Additionally, the lot frontage is 125 feet from north to south which and the south boundary is 180 feet from the study area entrance on Hillcrest. It is neither safe or practical to add any ingress and egress to the study area or to this small parcel.

Conditions Which Endanger Life



Shown to the right are two exhibits direct from Google Earth. The map and the aerial both show there to be a public cut-through on the study area. However, it is not a public or private street. According the owner's representative, this is a common occurrence and the wide-open parking area with absolutely no traffic calming infrastructure to prevent precisely what I have observed and what is indicated by the two Google Earth exhibits to the right.

Where life may be endangered is when residents of nearby apartment properties and residential shortcut through the untended parking lot to use KCATA stops throughout the neighborhood and also to the convenience store and fast food restaurants located to the west. The 3rd photograph shows the manner in which trespassers drive on the untended parking lot.

Social and Economic Liability

There is no specific definition to apply for this factor. I liken it to economic obsolescence. It is impractical to distinguish completely between market conditions and conditions found at the study area. However, my discussion is directed toward the study area and conditions present only there.

Kansas City Submarket Overview (All Classes of Space)

Submarket	Inventory (SF)	Asking Rent ($/SF)	Vacancy (%)	Vacancy (SF)	Completions (SF)	Absorption (SF)	Inventory, Under Cons (SF)
East Jackson County	18,585,751	$13.50	5.4%	1,009,079	24,014	131,995	7,814
South Johnson County	15,251,463	$19.36	5.6%	857,425	49,344	-5,021	97,300
I-35 Corridor	12,665,177	$14.46	5.8%	737,974	154,949	95,205	13,099
Northwest Johnson County	10,070,744	$16.35	4.1%	414,502	37,478	117,674	7,480
Northeast Johnson County	9,120,027	$16.62	8.6%	783,048	11,297	141,435	87,992
Kansas City KS	8,413,794	$15.93	4.1%	346,934	2,400	-67,522	0
South Kansas City MO	6,616,429	$12.61	11.6%	765,301	22,740	-48,161	2,640
Southeast Jackson County	6,338,024	$17.88	3.0%	188,850	5,000	101,769	0
I-29 Corridor	6,203,662	$17.28	5.7%	356,091	1,500	-129,626	8,000
Cass County	5,583,959	$13.40	5.7%	320,444	0	-35,129	0
College Blvd	4,965,422	$21.76	3.6%	180,623	0	51,066	0
Kansas City MO	4,897,518	$12.19	3.4%	168,099	21,408	-27,241	4,600
Midtown	3,604,429	$14.87	4.8%	173,426	11,953	2,035	0
Leavenworth County	2,662,007	$10.96	1.8%	46,783	0	88,086	0
Ward Parkway	2,302,891	$17.74	4.1%	93,320	0	-25,899	0
Outer South Kansas City	2,056,502	$10.68	3.5%	72,838	0	-30,088	0
Country Club Plaza	1,923,131	$31.55	1.8%	34,121	0	-1,629	0
Outlying KC MO	1,816,884	$8.05	0.1%	1,616	0	19,345	0
CBD	1,501,155	$18.27	0.2%	2,699	0	-9,015	0
Lafayette County	1,301,294	$6.24	14.4%	187,347	0	-20,582	0
Downtown Kansas KC KS	1,126,730	$8.48	1.8%	20,014	0	-1,585	0
Freight House District	880,604	$15.09	5.5%	48,122	0	-43,712	0
Crown Center	547,959	$16.71	1.2%	6,400	0	-22,343	0
Brookside	400,769	$27.01	1.8%	7,363	0	-3,693	0
West Bottoms	340,724	$13.27	0.8%	2,699	0	-3,156	0
Market Totals/Averages	**129,177,049**	**$15.61**	**5.3%**	**6,825,118**	**342,083**	**274,208**	**228,925**

Source: ©CoStar, Inc. 2019. Reprinted with the permission of CoStar, Inc. Compiled by JLL Valuation & Advisory Services, LLC.

The study area improvements are 100% vacant, the submarket is 11.6% vacant and the entire Kansas City market is less than half that. The public private partnerships of Cerner and the City of Kansas City and also NorthPoint and Centerpoint and the City of Kansas City are starting to demonstrate the intended rewards of the efforts of all involved. The study area is in a prime location and represents a significant contiguous site and significant contiguous building area. The condition of the building and the site have caused economic achievement within the submarket to move past the study area. As sites and areas become blighted is becomes more difficult for community planning efforts to promote the desired growth pattern and land use in a given neighborhood. This demonstrates social and economic liability.

Social and Economic Liability

This blighting factor is most aptly described when the subject property and six years vacant (and arguably uninhabitable) former Kmart with poor visibility is recognized as a contributing factor to conditions of the neighborhood. I restate below the analysis of the Retail Opportunity Gap and Surplus analysis from earlier in this report.

Retail Marketplace Profile: 3-mile radius

Retail Store Type	Demand (Retail Potential)	Supply (Retail Sales)	Opportunity Gap/Surplus
Motor Vehicle & Parts Dealers	$107,590,824	$50,572,574	$57,018,250
Furniture & Home Furnishings Stores	$15,848,466	$1,831,826	$14,016,640
Electronics & Appliance Stores	$15,012,790	$4,427,746	$10,585,044
Bldg Materials, Garden Equip. & Supply Stores	$32,589,973	$26,856,968	$5,733,005
Food & Beverage Stores	$84,070,483	$44,975,425	$39,095,058
Health & Personal Care Stores	$29,013,416	$27,976,811	$1,036,605
Gasoline Stations	$58,958,916	$39,236,560	$19,722,356
Clothing & Clothing Accessories Stores	$21,764,091	$2,585,511	$19,178,580
Sporting Goods, Hobby, Book & Music Stores	$14,423,729	$1,109,946	$13,313,783
General Merchandise Stores	$95,164,431	$6,093,882	$89,070,549
Miscellaneous Store Retailers	$20,584,487	$4,928,799	$15,655,688
Nonstore Retailers	$5,950,450	$35,789	$5,914,661
Food Services & Drinking Places	$53,494,382	$20,984,606	$32,509,776
Total Retail Sales including Eating & Drinking Places	**$554,466,438**	**$231,616,443**	**$322,849,995**

Source: Esri 2020. Compiled by JLL Valuation & Advisory Services, LLC.

The depiction of the performance of the neighborhood is Esri 2020 data compiled and reported as part of JLL's retail market analysis. This shows that each of the major retail categories shows an opportunity gap. This is where residents from within the three-mile radius are spending money outside of the neighborhood. Certain categories are regional in nature such as Motor Vehicles and Furniture & Home Furnishings. But other categories are expected to be available within a neighborhood to those residents. For instance, 47% of the food and beverage (grocery) store expenditures made by the area's residents occur outside the area. 88% of the clothing and accessory store sales made by the area's residents occur outside the area. Lastly 94% of the area's general merchandise purchases are made outside of the area. This is an egregious example of social and economic liability. Even though it cannot be attributed only to the study area, the study area is one of many contributing factors with the entire neighborhood.

Social and Economic Liability

Also demonstrative of excessive vacancies is that the hard corner at Hillcrest and Bannister has heretofore not been developed. This is the most highly visible part of the study area, highest of elevation. However, given the impracticality of ingress and egress, this 0.38-acre parcel has never been improved. This area has become overgrown and collects refuse and that it has not been developed, shows economic liability as it has never generated meaningful real property tax or sales tax revenue.

Social and Economic Liability

The condition and appearance of the site and building improvements at the study area give the perception that the area is in decline in spite of the anticipated $4.5 billion investment by Cerner in its 290-acre Innovation Campus.

The exhibit below shows the north elevation of the building, visible from Bannister Road. There is no formal entrance to the building and, in fact, nothing but the knowledge that it was once a Kmart to suggest it may be suitable for retail use. Visibility of the building from Bannister is discussed below and all aspects of the building suggest little utility to a modern retail use.

The view to the right is that of the former lawn and garden department. This east elevation of the property is visible and accessible to Hillcrest Avenue and the building's design eliminates retail use for the east elevation. The market would certainly expect there to be storefronts, signage and streetscaping along this building elevation. Pictures 1 and 2 demonstrate abandonment which is both a social and an economic liability.

Approximately 2/3rd mile north of the study area is the 290-acre Cerner Innovation Campus. The social liability created by the study area is that the intended result and effect of Cerner, in partnership with the City of Kansas City, will be stymied by the conditions there.

A menace to the public health, safety, morals or welfare in its present condition and use

The public health, safety and welfare are threatened by the study area in its current condition. Insanitary and unsafe conditions are present throughout. Streets and subdivision do not support economically feasible use and prevent the study area from meaningful consideration of a continuation of its present use. The condition of the site improvement cause danger and are drastically deteriorated. Lastly there is significant economic and social liability which are caused by and reflected in the condition and current absence of use at the study area.

Conclusions

Based on the analysis in the accompanying report, and subject to the definitions, assumptions, and limiting conditions expressed in the report, our opinion of the absence or presence of the conditions of Blighted Area is as follows.

Blighting Factors	Findings
Defective or inadequate street layout	Present
Insanitary or unsafe conditions	Present
Deterioration of site improvements	Present
Improper subdivision or obsolete platting	Present
Existence of conditions which endanger life by fire or other causes	Present
Retards the provision of housing accommodations	No
Constitutes an economic or social liability	Yes
A menace to the public health, safety, morals or welfare in its present condition and use	Yes

It is a hypothetical condition of this study that 5601 Bannister Road is legally subdivided as described by the owner and as presented herein.

As demonstrated in the attached consulting report, there are a predominance of the named Blight factors that are present at the study area. Thus the study area is a Blighted Area according to the definition found in the RSMo 67.1401.

Limiting Conditions and Assumptions

1. All reports and work product I deliver to you (collectively called “report”) represent an opinion of value, based on historical information and forecasts of market conditions. Actual results may vary from those forecast in the report. There is no guaranty or warranty that the opinion of value reflects the actual value of the property.
2. The conclusions stated in our report apply only as of the effective date of the appraisal, and no representation is made as to the effect of subsequent events. Assessed values may change significantly and unexpectedly over short periods. I am not liable for any conclusions in the report that may be different if there are subsequent changes in value. I am not liable for loss relating to reliance upon our report more than three months after its date.
3. There may be differences between projected and actual results because events and circumstances frequently do not occur as predicted, and those differences may be material. I am not liable for any loss arising from these differences.
4. I am not obligated to predict future political, economic or social trends. I assume no responsibility for economic factors that may affect or alter the opinions in the report if the economic factors were not present as of the date of the letter of transmittal accompanying the report.
5. The report reflects an appraisal of the property free of any liens or encumbrances unless otherwise stated.
6. I assume responsible ownership and competent property management.
7. The appraisal process requires information from a wide variety of sources. I have assumed that all information furnished by others is correct and complete, up to date and can be relied upon, but no warranty is given for its accuracy. I do not accept responsibility for erroneous information provided by others. I assume that no information that has a material effect on our appraisal has been withheld.
8. I assume the following, unless informed to the contrary in writing: Each property has a good and marketable title. All documentation is satisfactorily drawn and that there are no encumbrances, restrictions, easements or other adverse title conditions, which would have a material effect on the value of the interest under consideration. There is no material litigation pending involving the property. All information provided by the Client, or its agents, is correct, up to date and can be relied upon. I am not responsible for considerations requiring expertise in other fields, including but not limited to: legal descriptions, interpretation of legal documents and other legal matters, geologic considerations such as soils and seismic stability, engineering, or environmental and toxic contaminants. I recommend that you engage suitable consultants to advise you on these matters.
9. I assume that all engineering studies are correct. The plot plans and illustrative material in the report are included only to help the reader visualize the property.
10. I assume that there are no hidden or unapparent conditions of the property, subsoil or structures that render it more or less valuable. I am not responsible for such conditions or for obtaining the engineering studies that may be required to discover them.

11. I assume that the property is in full compliance with all applicable federal, state, and local environmental regulations and laws unless the lack of compliance is stated, described, and considered in the report. I have not made or requested any environmental impact studies in conjunction with the report. I reserve the right to revise or rescind any opinion of value that is based upon any subsequent environmental impact studies. If any environmental impact statement is required by law, the report assumes that such statement will be favorable and will be approved by the appropriate regulatory bodies.
12. Unless otherwise stated in the report, you should assume that I did not observe any hazardous materials on the property. I have no knowledge of the existence of such materials on or in the property; however, I are not qualified to detect such substances, and I are not providing environmental services. The presence of substances such as asbestos, urea-formaldehyde foam insulation and other potentially hazardous materials may affect the value of the property. Our report assumes that there is no such material on or in the property that would cause a loss in value. I do not assume responsibility for such conditions or for any expertise or engineering knowledge required to discover them. I encourage you to retain an expert in this field, if desired. I am not responsible for any such environmental conditions that exist or for any engineering or testing that might be required to discover whether such conditions exist. I am not experts in the field of environmental conditions, and the report is not an environmental assessment of the property.
13. I may have reviewed available flood maps and may have noted in the report whether the property is generally located within or out of an identified Special Flood Hazard Area. However, I am not qualified to detect such areas and therefore do not guarantee such determinations. The presence of flood plain areas and/or wetlands may affect the value of the property. Any opinion of value I include in our report assumes that floodplain and/or wetlands interpretations are accurate.
14. The Americans with Disabilities Act (ADA) became effective January 26, 1992. I have not made a specific survey or analysis of the property to determine whether it is in compliance with the ADA. I claim no expertise in ADA issues, and render no opinion regarding compliance of the property with ADA regulations.
15. I assume that the property conforms to all applicable zoning and use regulations and restrictions unless I have identified, described and considered a non-conformity in the report.
16. I assume that all required licenses, certificates of occupancy, consents, and other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the opinion of value contained in the report is based.
17. I assume that the use of the land and improvements is confined within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.

18. I have not made any investigation of the financial standing of actual or prospective tenants unless specifically noted in the report. Where properties are valued with the benefit of leasing, I assume, unless I are informed otherwise, that the tenants are capable of meeting their financial obligations under the leases, all rent and other amounts payable under the leases have been paid when due, and that there are no undisclosed breaches of the leases.
19. I did not conduct a formal survey of the property and assume no responsibility for any survey matters. The Client has supplied the spatial data, including sketches and/or surveys included in the report, and I assume that data is correct, up to date and can be relied upon.
20. Unless otherwise stated, the opinion of value included in our report excludes any additional value attributable to goodwill, or to fixtures and fittings which are only of value, in situ, to the present occupier. I have made no allowance for any plant, machinery or equipment unless they form an integral part of the building and would normally be included in a sale of the building. I do not normally carry out or commission investigations into the capacity or condition of services being provided to the property. I assume that the services, and any associated controls or software, are in working order and free from defect. I also assume that the services are of sufficient capacity to meet current and future needs.
21. In the case of property where construction work is in progress, such as refurbishment or repairs, or where developments are in progress, I have relied upon cost information supplied to us by the Client or its appointed experts or upon industry accepted cost guides. In the case of property where construction work is in progress, or has recently been completed, I do not make allowance for any liability already incurred, but not yet discharged, in respect of completed work, or obligations in favor of contractors, subcontractors or any members of the professional or design team. I assume the satisfactory completion of construction, repairs or alterations in a workmanlike manner.
22. Any allocation in the report of value between the land and the improvements applies only under the stated program of utilization. The separate values allocated to the land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.
23. The report is confidential to the party to whom it is addressed, and those other intended users specified in the report for the specific purpose to which it refers. Use of the report for any other purpose or use by any party not identified as an intended user of the report without our prior written consent is prohibited, and I accept no responsibility for any use of the report in violation of the terms of this Agreement.
24. I am not required to testify or provide court-related consultation or to be in attendance in court unless I have agreed to do so in writing.
25. Neither the whole report, nor any part, nor reference thereto, may be published in any manner without our prior written approval.

26. I may rely on, and will not verify, the accuracy and sufficiency of documents, information and assumptions provided to it by the Client or others. I will not verify documents, information and assumptions derived from industry sources or that JLL or its affiliates have prepared in the regular course of business. I am not liable for any deficiency in the report arising from the inaccuracy or insufficiency of such information, documents and assumptions. However, our report will be based on our professional evaluation of all such available sources of information.
27. JLL IS NOT LIABLE TO ANY PERSON OR ENTITY FOR LOSS OF PROFITS, CONSEQUENTIAL, PUNITIVE, EXEMPLARY OR SIMILAR DAMAGES IN CONNECTION WITH THIS AGREEMENT. IN NO EVENT SHALL THE LIABILITY OF JLL AND ITS AFFILIATES IN CONNECTION WITH THIS AGREEMENT EXCEED THE FEE PAID TO JLL HEREUNDER.
28. Unless expressly advised to the contrary, I assume that appropriate insurance coverage is and will continue to be available on commercially acceptable terms.
29. I assume that no material changes in any applicable federal, state or local laws, regulations or codes (including, without limitation, the Internal Revenue Code) are anticipated.

Appendix A

Appraiser Qualifications

Appendix A

Appraiser Qualifications

JLL Biography

Kenneth Jaggers, MAI, FRICS

Managing Director

Current Responsibilities

Mr. Jaggers is a Managing Director for JLL's Valuation and & Advisory Services (VAS) platform in Kansas City. Mr. Jaggers joined JLL through the acquisition of Integra Realty Resources Chicago/Kansas City/St. Louis in December of 2016. In 1993 Mr. Jaggers started with Integra Realty Resources and became Managing Director in 2004. With JLL, Mr. Jaggers oversees all appraisal and consulting activity conducted through the Kansas City office.

Experience

Mr. Jaggers' has completed appraisals on commercial properties of all types, primarily for institutional investors and for litigation. Mr. Jaggers' areas of specialty include development consulting, highest and best use feasibility analysis, statutory compliance, and disposition consulting. Portfolios managed include > 800 office and retail properties for an investment bank, 34 apartment properties for a pension advisor, 19 office and flex industrial properties for a pension advisor, as well as numerous multiple tract projects for eminent domain.

Education and Affiliations

- Appraisal Institute, (MAI) since 2004. Chapter President 2010
- Royal Institute of Chartered Surveyors, Fellow (FRICS)
- Real Estate Trends and Investment Criteria Annual Economic Forecasting Seminar: Organizer and Presenter
- Westwood City Planning Commission 2000-2015
- UMKC Bloch School – Lewis White Real Estate Center: Guest Lecturer and Case Studies Judge
- Project REAP Kansas City 2017: Guest Lecturer
- Bachelor of Arts – Chadron State College, Chadron, Nebraska
- Economics and Marketing, Minor in Business Administration

Mr. Jaggers is known as the professional of choice when Kansas City lenders, developers, and public entities are confronted with difficult real estate problems.

Contact
T: +1-913-748-4704
E: ken.jaggers@am.jll.com

Certified General Real Estate Appraiser:

- *Arkansas*
- *Illinois*
- *Iowa*
- *Kansas*
- *Missouri*
- *Nebraska*

State of Missouri

Missouri Department of Commerce and Insurance
Division of Professional Registration
Real Estate Appraisers Commission

State Certified General Real Estate Appraiser

VALID THROUGH SEPTEMBER 28, 2020
ORIGINAL CERTIFICATE/LICENSE NO. RA003190

KENNETH JAGGERS
JLL VALUATION & ADVISORY SERVICES
7500 COLLEGE BLVD., SUITE 920
OVERLAND PARK KS 66210
USA

EXECUTIVE DIRECTOR

DIVISION DIRECTOR

Appendix B

Property Information

ELECTRONICALLY RECORDED
JACKSON COUNTY, MISSOURI
08/26/2014 08:09:30 AM
WD FEE: $ 39.00 7 Pages
INSTRUMENT NUMBER:
2014E0070347

Title of Document: Special Warranty Deed

Date of Document: August 25, 2014

Grantor: **MCBANNISTER ASSOCIATES, LTD.**, a California limited partnership

Grantee: **5615 E. BANNISTER ROAD, LLC**, a Delaware limited liability company

Grantee's Mailing Address:

5615 E. BANNISTER ROAD, LLC
Suite 4
500 North First Avenue
Arcadia, California 91006
Attention: Claudio Chavez

Legal Description: ☐ set out below ☐ see Page ____ ☒ See Exhibit A on Page 5.

Return Recorded Document to:

5615 E. BANNISTER ROAD, LLC
Suite 4
500 North First Avenue
Arcadia, California 91006
Attention: Claudio Chavez

RECORDING REQUESTED BY
FIRST AMERICAN TITLE INSURANCE CO.
NATIONAL COMMERCIAL SERVICES
665773

48664578.2

SPECIAL WARRANTY DEED

THIS SPECIAL WARRANTY DEED (the "**Deed**") is made as of the ____ day of August 25, 2014 (the "**Effective Date**"), by and between **MCBANNISTER ASSOCIATES, LTD.**, a California limited partnership ("**Grantor**"), whose mailing address is c/o Irmas Financial Holdings, LLC, 15910 Ventura Boulevard, Suite 1019, Encino, California 91436, and **5615 E. BANNISTER ROAD, LLC**, a Delaware limited liability company (the "**Grantee**"), whose mailing address is Suite 4, 500 North First Avenue, Arcadia, California 91006, Attention: Claudio Chavez.

WITNESSETH, THAT THE SAID GRANTOR, in consideration of the sum of TEN DOLLARS ($10.00) and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, does by these presents grant, bargain, sell and convey unto the said Grantee, its successors and assigns, all of the Grantor's right, title and interest in that certain real estate situated in the County of Jackson and State of Missouri as described in **Exhibit A** attached hereto and incorporated herein by this reference (the "**Property**").

EXCEPT AND SUBJECT TO current installments of general and special real property taxes and assessments which are a lien not yet delinquent and all rights and interests, liens, encumbrances, easements, restrictions and covenants of record that are set forth on **Exhibit B** attached hereto and incorporated herein by this reference (collectively, the "**Permitted Encumbrances**").

TO HAVE AND TO HOLD THE SAME, together with all and singular the rights, privileges, tenements, hereditaments, appurtenances and immunities thereunto belonging or in any wise appertaining to the Grantee and its successors and assigns forever.

And said Grantor, for itself and its successors and assigns, does hereby covenant, promise and agree to and with said Grantee, that the above granted and described Property, with the appurtenances, are free and clear from all encumbrances done or suffered by Grantor, excepting the Permitted Encumbrances, and that it will WARRANT and FOREVER DEFEND the same unto the said Grantee, its successors and assigns against Grantor, its successors and assigns, and all and every person or persons whomsoever, lawfully claiming or to claim the same by, through or under Grantor, except as set forth above, but Grantor does not warrant title against those claiming a right, interest or title in the Property that arose prior to, or separate from, Grantor's interest in the above granted and described Property.

THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK

IN WITNESS WHEREOF, Grantor has caused this Deed to be executed the day and year first above written.

SELLER:

MCBANNISTER ASSOCIATES, LTD.,
a California limited partnership

By: Irmas Financial Holdings, LLC,
a California limited liability company,
its General Partner

By: Gramercy Park Consulting, Inc.,
a California corporation, its Manager

By: ______________________________
Robert J. Irmas, President

48664578.2

STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

On August 19, 2014, before me, SHOSHANA ELISE KLINE, NOTARY PUBLIC, (here insert name and title of the officer), personally appeared ROBERT J. IRMAS, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Shoshana Elise Kline (Seal)

SHOSHANA ELISE KLINE
Commission # 2007765
Notary Public - California
Los Angeles County
My Comm. Expires Mar 15, 2017

<u>EXHIBIT A</u>

LEGAL DESCRIPTION

Exhibit "A"

Legal Description

Real property in the City of Kansas City, County of Jackson, State of Missouri, described as follows:

ALL THAT PART OF THE NORTHEAST 1/4 OF THE SOUTHEAST 1/4 OF SECTION 26, TOWNSHIP 48, RANGE 33, KANSAS CITY, JACKSON COUNTY, MISSOURI, MORE PARTICULARLY DESCRIBED AS FOLLOWS: COMMENCING AT THE NORTHEAST CORNER OF THE NORTHEAST 1/4 OF THE SOUTHEAST 1/4 OF SAID SECTION 26; THENCE NORTH 87° 04' 09" WEST, ALONG THE NORTH LINE OF THE NORTHEAST 1/4 OF THE SOUTHEAST 1/4 OF SAID SECTION 26, A DISTANCE OF 190 FEET; THENCE SOUTH 2° 06' 29" WEST, ALONG A LINE PARALLEL TO THE EAST LINE OF THE NORTHEAST 1/4 OF THE SOUTHEAST 1/4 OF SAID SECTION 26, A DISTANCE OF 57.56 FEET, TO THE TRUE POINT OF BEGINNING OF SUBJECT TRACT, SAID POINT ALSO BEING 50 FEET SOUTH OF THE CENTERLINE OF 95TH STREET (BANNISTER ROAD), AS NOW LOCATED; THENCE CONTINUING SOUTH 2° 06' 29" WEST, A DISTANCE OF 150 FEET; THENCE SOUTH 87° 10' 39" EAST A DISTANCE OF 150 FEET, TO A POINT 40 FEET WEST OF THE EAST LINE OF THE NORTHEAST 1/4 OF THE SOUTHEAST 1/4 OF SAID SECTION 26; THENCE SOUTH 2° 06' 29" WEST, ALONG A LINE 40 FEET WEST OF AND PARALLEL TO THE EAST LINE OF THE NORTHEAST 1/4 OF THE SOUTHEAST 1/4 OF SAID SECTION 26, A DISTANCE OF 551.63 FEET; THENCE NORTH 87° 04' 09" WEST, A DISTANCE OF 860.09 FEET, TO A POINT 900 FEET WEST OF THE EAST LINE OF THE NORTHEAST 1/4 OF THE SOUTHEAST 1/4 OF SAID SECTION 26, SAID POINT ALSO BEING ON THE EAST RIGHT OF WAY LINE OF DRURY AVENUE, AS NOW ESTABLISHED; THENCE NORTH 2° 06' 29" EAST, ALONG THE EAST RIGHT OF WAY LINE OF SAID DRURY AVENUE, A DISTANCE OF 560 FEET; THENCE SOUTH 87° 10' 39" EAST, A DISTANCE OF 150 FEET; THENCE NORTH 2° 06' 29" EAST, A DISTANCE OF 140 FEET, TO A POINT 50 FEET SOUTH OF THE CENTERLINE OF SAID 95TH STREET; THENCE SOUTH 87° 10' 39" EAST, ALONG A LINE 50 FEET SOUTH OF AND PARALLEL TO THE CENTERLINE OF SAID 95TH STREET, A DISTANCE OF 560.07 FEET, TO THE TRUE POINT OF BEGINNING OF SUBJECT TRACT.

EXCEPT THEREFROM THOSE PORTIONS OF BANNISTER ROAD AND HILLCREST ROAD PURSUANT TO REPORT OF COMMISSIONERS RECORDED SEPTEMBER 8, 1977 AS DOCUMENT NO. K340092 IN BOOK K784, PAGE 1939 AND CORRECTED REPORT OF COMMISSIONERS RECORDED JUNE 19, 1991 AS DOCUMENT NO. K976188 IN BOOK K2135, PAGE 564.

AND EXCEPT THAT PART DESCRIBED AS FOLLOWS;

COMMENCING AT THE NORTHEAST CORNER OF SAID NORTHEAST QUARTER OF THE SOUTHEAST QUARTER; THENCE NORTH 87° 04' 09" WEST ALONG THE NORTH LINE OF SAID NORTHEAST QUARTER OF THE SOUTHEAST QUARTER A DISTANCE OF 700.08 FEET; THENCE SOUTH 02° 06' 29" WEST PARALLEL WITH THE EAST LINE OF SAID NORTHEAST QUARTER OF THE SOUTHEAST QUARTER A DISTANCE OF 83.52 FEET TO THE SOUTH RIGHT-OF-WAY LINE OF BANNISTER ROAD AND THE POINT OF BEGINNING; THENCE CONTINUING SOUTH 02° 06' 29" WEST PARALLEL WITH THE EAST LINE OF SAID NORTHEAST QUARTER OF THE SOUTHEAST QUARTER A DISTANCE OF 155.00 FEET; THENCE NORTH 87° 10' 39" WEST A DISTANCE OF 200.00 FEET TO THE EAST RIGHT-OF-WAY LINE OF DRURY AVE; THENCE NORTH 02° 06' 29" EAST ALONG SAID EAST RIGHT-OF-WAY LINE A DISTANCE OF 40.00 FEET; THENCE SOUTH 87° 10' 39" EAST A DISTANCE OF 150.00 FEET; THENCE NORTH 02° 06' 29" EAST PARALLEL WITH THE EAST LINE OF SAID NORTHEAST QUARTER OF THE SOUTHEAST QUARTER A DISTANCE OF 115.00 FEET TO THE SOUTH RIGHT-OF-WAY LINE OF BANNISTER ROAD; THENCE SOUTH 87° 10' 39" EAST ALONG SAID SOUTH RIGHT-OF-WAY LINE A DISTANCE OF 50.00 FEET TO THE POINT OF BEGINNING.

APN: 49-540-01-07

EXHIBIT B

PERMITTED ENCUMBRANCES

1. An easement to Kansas City in the document recorded October 26, 1970 as Document No. K97817 in Book K214, Page 979 of Official Records of Jackson County, Missouri (the "**Official Records**").

2. An easement to Kansas City in the document recorded October 26, 1970 as Document No. K97804 in Book K214, Page 951 of Official Records.

3. An easement to Kansas City in the document recorded October 26, 1970 as Document No. K97803 in Book K214, Page 949 of Official Records.

4. An easement to Kansas City in the document recorded October 26, 1970 as Document No. K97805 in Book K214, Page 953 of Official Records.

5. The terms and provisions contained in Sections 4, 6, 7, and 9 (but not Sections 1, 2, 3, 5, and 8) of the document entitled "Restrictive Covenants" recorded May 25, 1993 as Document No. K1081697 in Book K2394, Page 1848 of Official Records.

6. The fact that a retaining wall encroaches a westerly line near the northwest corner of the property abutting Bannister Road as disclosed by an ALTA/ACSM survey made by North Star Surveying, LLC on June 9, 2014 and last revised August 7, 2014 designated Job No. 5-14-009.

RECORDER'S CERTIFICATION
JACKSON COUNTY, MISSOURI
03/17/2005 02:51:33 PM
INSTRUMENT TYPE: WD FEE: $27.00 3 Pages
INSTRUMENT NUMBER/BOOK & PAGE:
2005K0016700
ROBERT T. KELLY, DIRECTOR OF RECORDS

WARRANTY DEED

THIS INDENTURE, Made this 17th day of March, 2005, between BANNISTER INVESTMENT GROUP, L.L.C., a Missouri limited liability company, duly organized, and validly existing under and by virtue of the laws of the State of Missouri and having a mailing address of 222 Sidney Baker South, #305, Kerrville, TX 77028, party of the first part, and Alex Motaref, a/k/a Haydar Motaref, a single person, with a mailing address of 12316 Oak Street, Kansas City, MO 64145, party of the second part:

WITNESSETH, THAT THE SAID PARTY OF THE FIRST PART, in consideration of the sum of TEN DOLLARS AND OTHER VALUABLE CONSIDERATIONS, the receipt whereof is hereby acknowledged, does by these presents, grant, bargain, sell and convey unto said part of the second part, its successors and assigns, all of the following described REAL ESTATE, situated in the County of Jackson and State of Missouri to-wit:

See Attached Exhibit "A"

TO HAVE AND TO HOLD THE SAME, together with all and singular the tenements, hereditaments and appurtenances thereunto belonging or in any wise appertaining forever.

And said party of the first part, for itself, and its successors and assigns, does hereby covenant, promise and agree, to and with said of the second part, that at the delivery of these presents, it is lawfully seized in its own right of an absolute and indefeasible estate of inheritance, in fee simple, of and in all and singular the above granted and described premises, with the appurtenances; that the same are free, clear, discharged and unencumbered of an from all former and other grants, titles, charges, estates, judgments, taxes, assessments and encumbrances, of what nature and kind so ever, and that it will WARRANT and FOREVER DEFEND the same unto said of the second part, its successors and assigns, against said party of the first part, its successors and assigns, and all and every person or persons whomsoever, lawfully claiming or to claim the same.

CTIC-SF
#20052395

IN WITNESS WHEREOF, said party of the first part has hereunto caused this Deed to be signed on its behalf by its member and managers, thereunto duly authorized so to do, the day and year last above written.

Bannister Investment Group, L.L.C.
A Missouri limited liability company

By: R Corey Walters, Pres
Name: R. Corey Walters
Title: President

State of Texas)
) ss.
County of Kerr)

On this 16th day of March, 2005, before me, the undersigned, a Notary Public in and for said county and State, personally appeared R. Corey Walters to me personally known, who being by me duly sworn did say that he is the President of Bannister Investment Group, L.L.C., a Missouri limited liability company, grantor in the foregoing deed, and that said deed was signed in behalf of said Company by authority of its Members and said acknowledged said deed to be the free act and deed of said Company.

Witness my hand and Notarial Seal subscribed and affixed in said County and State, the day and year in this certificate above written.

Sara S. Besier
Notary Public

My commission expires:
June 4, 2006

SARA S. BESIER
MY COMMISSION EXPIRES
June 4, 2006

EXHIBIT A
LEGAL DESCRIPTION

A tract of land in the Northeast Quarter of the Southeast Quarter of Section 26, Township 48, Range 33, Kansas City, Jackson County, Missouri, more particularly described as follows: Beginning at the Northeast corner of the Northeast Quarter of the Southeast Quarter of said Section 26; thence South 02 degrees 06 minutes 29 seconds West 207.20 feet; thence North 87 degrees 10 minutes 39 seconds West 190.00 feet; thence North 02 minutes 06 minutes 29 seconds East 207.56 feet; thence South 87 degrees 04 minutes 09 seconds East 190.00 feet to the point of beginning, less and except those parts taken for road purposes on the North and East sides.

InterFlood by a la mode

Prepared for: JLL
5616 E Bannister Rd
Kansas City, MO 64137-2901

Powered by CoreLogic®

MAP DATA

FEMA Special Flood Hazard Area: **No**
Map Number: **29095C0384G**
Zone: **X**
Map Date: **January 20, 2017**
FIPS: **29095**

MAP LEGEND

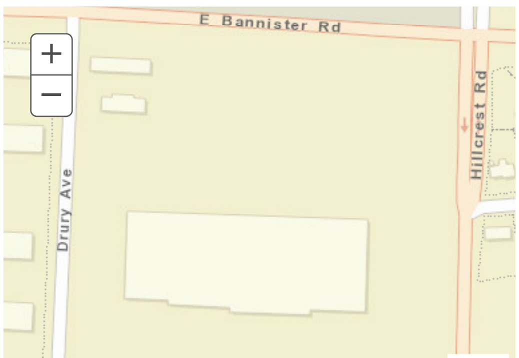
- Areas inundated by 500-year flooding
- Areas inundated by 100-year flooding
- Velocity Hazard
- Protected Areas
- Floodway
- Subject Area

JACKSON County ★ Missouri

Property Report for 49-540-01-07-00-0-00-000

PROPERTY PHOTO

STREET MAP



AERIAL PHOTO

Parcel ID: 49-540-01-07-00-0-00-000

Parcel Address: 5601 E BANNISTER RD
KANSAS CITY
MO 64137

Owner Information: 5615 E BANNISTER ROAD LLC
PO BOX 320099 PTA-CS#6666
ALEXANDRIA VA 22320

Complex Name: N/A

Mortgage Holder Information: N/A

Property Characteristics:

Year Built:	N/A
Approx. Bldg. Area:	N/A sq. ft.
Neighborhood Tax Code:	9865
Approx. Area (Sq Ft):	536,637.80 sq. ft.
Approx. Area (Acres):	12.32 acres

Land Use Type: 2235 - Miscellaneous Service

Tax Code Area:

Code:	12
City:	Kansas City
Fire:	
Library:	Mid Continent
School:	Hickman Mills C-1
Water:	

Assessment Information:

Tax Year:	2019
Land Value:	
Agricultural:	N/A
Commercial:	$2,023,823
Residential:	N/A
Improvements Value:	
Agricultural:	N/A
Commercial:	$195,677
Residential:	N/A
New Construction Value:	
Agricultural:	N/A
Commercial:	$36,413
Residential:	N/A
Total Market Value:	$2,255,913
Total Assessed Value:	$721,892
Total Taxable Value:	$721,892

Exemptions and Abatements: No exemptions or abatements.

Community Improvement Dist: Property is not in a CID for which Jackson County collects a tax or assessment.

TIF Information: Property is not in a TIF Plan area or TIF Project area known to Jackson County.

Legal Description

SEC-26 TWP-48 RNG-33, PT OF NE 1/4 OF SE 1/4 DAF: BEG 190' W & 82.56' S OF NE COR, OF SE 1/4 TH S 125.15' TH E 134' TH S 250.20' TH 200.64', TH S 100' TH W 860.09' TH N 520' TH E 200' TH N 155' TH E, 510.07' TO POB

Property Values

Value Type	Tax Year 2019	Tax Year 2018	Tax Year 2017	Tax Year 2016	Tax Year 2015
Land Value:					
Agricultural:	N/A	N/A	N/A	N/A	N/A
Commercial:	$2,023,823	$1,619,058	$1,619,058	$1,245,429	$1,245,429
Residential:	N/A	N/A	N/A	N/A	N/A
Improvements Value:					
Agricultural:	N/A	N/A	N/A	N/A	N/A
Commercial:	$195,677	$1,000	$1,000	$1,000	$1,000
Residential:	N/A	N/A	N/A	N/A	N/A
New Construction Value:					
Agricultural:	N/A	N/A	N/A	N/A	N/A
Commercial:	$36,413	N/A	N/A	N/A	N/A
Residential:	N/A	N/A	N/A	N/A	N/A
Total Market Value:	$2,255,913	$1,620,058	$1,620,058	$1,246,429	$1,246,429
Total Assessed Value:	$721,892	$518,419	$518,419	$398,857	$398,857
Total Taxable Value:	$721,892	$518,419	$518,419	$398,857	$398,857

ELECTED OFFICIALS

Jackson County

County Executive:
Frank White Jr. (D)

Individual Legislator:
Dan Tarwater III (D) - District 4

At-Large Legislator:
Tony Miller (D) - District 3

State of Missouri

Representative:
Information temporarily unavailable

Senator:
Information temporarily unavailable

Governor:
Michael L Parson (R)

United States

Representative:
Information temporarily unavailable

Senator:
Roy Blunt (R)

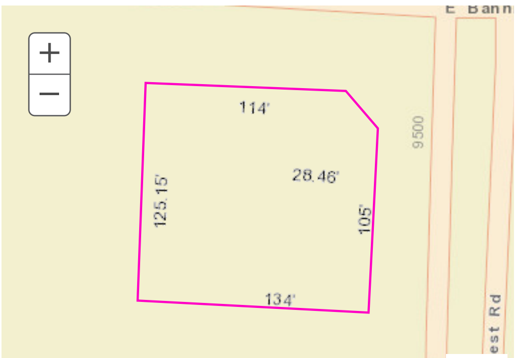
Senator:
Claire McCaskill (D)

JACKSON County ☆ Missouri

Property Report for 49-540-01-05-00-0-00-000

PROPERTY PHOTO

STREET MAP



AERIAL PHOTO

Parcel ID:	49-540-01-05-00-0-00-000	
Parcel Address:	5619 E BANNISTER RD KANSAS CITY MO 64137	
Owner Information:	MOTAREF ALEX AKA MORTAREF HAYDAR 12316 OAK ST KANSAS CITY MO 64145	
Complex Name:	N/A	
Mortgage Holder Information:	N/A	
Property Characteristics:	Year Built:	N/A
	Approx. Bldg. Area:	N/A sq. ft.
	Neighborhood Tax Code:	9865
	Approx. Area (Sq Ft):	16,397.30 sq. ft.
	Approx. Area (Acres):	0.38 acres
Land Use Type:	2101 - Unimproved Commercial Land	
Tax Code Area:	Code:	12
	City:	Kansas City
	Fire:	
	Library:	Mid Continent
	School:	Hickman Mills C-1
	Water:	
Assessment Information:	Tax Year:	2019
	Land Value:	
	Agricultural:	N/A
	Commercial:	$44,500
	Residential:	N/A
	Improvements Value:	
	Agricultural:	N/A
	Commercial:	$0
	Residential:	N/A
	New Construction Value:	
	Agricultural:	N/A
	Commercial:	N/A
	Residential:	N/A
	Total Market Value:	$44,500
	Total Assessed Value:	$14,240
	Total Taxable Value:	$14,240
Exemptions and Abatements:	No exemptions or abatements.	
Community Improvement Dist:	Property is not in a CID for which Jackson County collects a tax or assessment.	
TIF Information:	Property is not in a TIF Plan area or TIF Project area known to Jackson County.	

Legal Description

SEC-26 TWP-48 RNG-33, PT NE 1/4 SE 1/4 DAF: BEG 207.56' S & 53' W OF NE COR OF, SE 1/4 TH W 134' TH N 125.15' TH S 89 DEG E 114' TH 44 DEG, E 28.46' TH S 105' TO POB

Property Values

Value Type	**Tax Year 2019**	**Tax Year 2018**	**Tax Year 2017**	**Tax Year 2016**	**Tax Year 2015**
Land Value:					
Agricultural:	N/A	N/A	N/A	N/A	N/A
Commercial:	$44,500	$29,657	$29,657	$22,813	$22,813
Residential:	N/A	N/A	N/A	N/A	N/A
Improvements Value:					
Agricultural:	N/A	N/A	N/A	N/A	N/A
Commercial:	$0	N/A	N/A	N/A	N/A
Residential:	N/A	N/A	N/A	N/A	N/A
New Construction Value:					
Agricultural:	N/A	N/A	N/A	N/A	N/A
Commercial:	N/A	N/A	N/A	N/A	N/A
Residential:	N/A	N/A	N/A	N/A	N/A
Total Market Value:	$44,500	$29,657	$29,657	$22,813	$22,813
Total Assessed Value:	$14,240	$9,490	$9,490	$7,300	$7,300
Total Taxable Value:	$14,240	$9,490	$9,490	$7,300	$7,300

ELECTED OFFICIALS

Jackson County

County Executive:
Frank White Jr. (D)

Individual Legislator:
Dan Tarwater III (D) - District 4

At-Large Legislator:
Tony Miller (D) - District 3

State of Missouri

Representative:
Information temporarily unavailable

Senator:
Information temporarily unavailable

Governor:
Michael L Parson (R)

United States

Representative:
Information temporarily unavailable

Senator:
Roy Blunt (R)

Senator:
Claire McCaskill (D)

88-280-01 - PURPOSE

88-280-01-A. GENERAL

The MPD, Master Planned Development district is intended to accommodate development that may be difficult if not impossible to carry out under otherwise applicable zoning district standards. Examples of the types of development that may benefit from the MPD zoning tool include the following:

1. **ENHANCED PROTECTION OF NATURAL RESOURCE AREAS**

   Developments that offer enhanced protection of natural resources and sensitive environmental features, including streams, water bodies, floodplains, wetlands, steep slopes, woodlands, wildlife habitats, and native plant communities.

2. **TRADITIONAL URBAN DEVELOPMENT**

   Developments characterized by lot configurations, street patterns, streetscapes, and neighborhood amenities commonly found in urban neighborhoods platted or otherwise created before the 1950s.

3. **MIXED-USE DEVELOPMENT**

   Developments that contain a complementary mix of residential and nonresidential uses.

4. **MIXED HOUSING DEVELOPMENT**

   Residential developments containing a mix of housing types such as detached house, attached house, multi-unit house, etc., such as those formerly approved with a community unit project application.

88-280-01-B. SPECIFIC OBJECTIVES

Different types of MPDs will promote different planning goals. In general, however, MPDs are intended to promote the following objectives:

1. flexibility and creativity in responding to changing social, economic, and market conditions and that results in greater public benefits than could be achieved using conventional zoning and development regulations;
2. implementation and consistency with the city's adopted plans and policies;
3. efficient and economical provision of public facilities and services;
4. sustainable, long-term communities that provide economic opportunity and environmental and social equity for residents;
5. variety in housing types and sizes to accommodate households of all ages, sizes, incomes and lifestyle choices;
6. compact, mixed-use development patterns where residential, commercial, civic, and open spaces are located in close proximity to one another;
7. a coordinated transportation systems that includes a inter-connected hierarchy of appropriately designed improvements for pedestrians, bicycles, and vehicles;
8. compatibility of buildings and other improvements as determined by their arrangement, massing, form, character, and landscaping to establish a high-quality livable environment;
9. the incorporation of open space amenities and natural resource features into the development design;
10. low-impact development (LID) practices; and
11. attractive, high-quality landscaping, lighting, architecture, and signage that reflects the unique character of the development.

(Ord. No. 120783, § 1, 10-4-2012)

88-280-02 - PROCEDURE

MPDs must be reviewed and approved in accordance with the procedures of 88-520.

88-280-03 - DEVELOPER'S STATEMENT OF INTENT

Each MPD application must include a written explanation from the applicant describing the community benefits of the proposed development and how the proposed development provides greater benefits to the city than would a development carried out in accordance with otherwise applicable zoning and development code standards.

88-280-04 - USE REGULATIONS AND LOT AND BUILDING STANDARDS

The use regulations and lot and building standards that apply within a MPD zoning district must be established at the time of preliminary development plan approval by the city council. Allowed uses, residential densities and nonresidential intensities must be consistent with any approved plans for the area.

88-280-05 - OTHER DEVELOPMENT STANDARDS

88-280-05-A. Unless otherwise expressly approved by the city council at the time of preliminary development plan approval, properties within the MPD district are subject to all other applicable provisions of this zoning and development code. The city council is authorized to approve MPDs that deviate from strict compliance with otherwise applicable standards of this zoning and development code if they determine that the resulting development provides a greater level of public benefit than would normally be expected for projects developed in strict compliance with this zoning and development code.

88-280-05-B. The MPD district is expressly intended to accommodate the use of alternative standards for public improvements based on the approved development plans. The preliminary development plan must specify the deviations from the city's *Standards, Specifications, and Design Criteria* for streets, sidewalks, stormwater management, and any other public improvement if deviations from otherwise applicable standards are proposed.

88-280-06 - APPROVAL CRITERION

MPD zoning may be approved only when the city council, after receiving the recommendation of the city plan commission, determines that the proposed development cannot be reasonably accommodated by other available regulations of this zoning and development code, and that a MPD would result in a greater benefit to the city as a whole than would development under conventional zoning district regulations. Such greater benefit may include implementation of adopted planning policies, natural resource preservation, urban design, neighborhood/community amenities, or a general level of development quality.

88-280 - MPD, MASTER PLANNED DEVELOPMENT DISTRICT

88-280-01 - PURPOSE

88-280-01-A. GENERAL

The MPD, Master Planned Development district is intended to accommodate development that may be difficult if not impossible to carry out under otherwise applicable zoning district standards. Examples of the types of development that may benefit from the MPD zoning tool include the following:

1. **ENHANCED PROTECTION OF NATURAL RESOURCE AREAS**

   Developments that offer enhanced protection of natural resources and sensitive environmental features, including streams, water bodies, floodplains, wetlands, steep slopes, woodlands, wildlife habitats, and native plant communities.

2. **TRADITIONAL URBAN DEVELOPMENT**

   Developments characterized by lot configurations, street patterns, streetscapes, and neighborhood amenities commonly found in urban neighborhoods platted or otherwise created before the 1950s.

3. **MIXED-USE DEVELOPMENT**

   Developments that contain a complementary mix of residential and nonresidential uses.

4. **MIXED HOUSING DEVELOPMENT**

   Residential developments containing a mix of housing types such as detached house, attached house, multi-unit house, etc., such as those formerly approved with a community unit project application.

88-280-01-B. SPECIFIC OBJECTIVES

Different types of MPDs will promote different planning goals. In general, however, MPDs are intended to promote the following objectives:

1. flexibility and creativity in responding to changing social, economic, and market conditions and that results in greater public benefits than could be achieved using conventional zoning and development regulations;
2. implementation and consistency with the city's adopted plans and policies;
3. efficient and economical provision of public facilities and services;
4. sustainable, long-term communities that provide economic opportunity and

environmental and social equity for residents;

5. variety in housing types and sizes to accommodate households of all ages, sizes, incomes and lifestyle choices;
6. compact, mixed-use development patterns where residential, commercial, civic, and open spaces are located in close proximity to one another;
7. a coordinated transportation systems that includes a inter-connected hierarchy of appropriately designed improvements for pedestrians, bicycles, and vehicles;
8. compatibility of buildings and other improvements as determined by their arrangement, massing, form, character, and landscaping to establish a high-quality livable environment;
9. the incorporation of open space amenities and natural resource features into the development design;
10. low-impact development (LID) practices; and
11. attractive, high-quality landscaping, lighting, architecture, and signage that reflects the unique character of the development.

(Ord. No. 120783, § 1, 10-4-2012)

88-280-02 - PROCEDURE

MPDs must be reviewed and approved in accordance with the procedures of 88-520.

88-280-03 - DEVELOPER'S STATEMENT OF INTENT

Each MPD application must include a written explanation from the applicant describing the community benefits of the proposed development and how the proposed development provides greater benefits to the city than would a development carried out in accordance with otherwise applicable zoning and development code standards.

88-280-04 - USE REGULATIONS AND LOT AND BUILDING STANDARDS

The use regulations and lot and building standards that apply within a MPD zoning district must be established at the time of preliminary development plan approval by the city council. Allowed uses, residential densities and nonresidential intensities must be consistent with any approved plans for the area.

88-280-05 - OTHER DEVELOPMENT STANDARDS

88-280-05-A. Unless otherwise expressly approved by the city council at the time of preliminary development plan approval, properties within the MPD district are subject to all other applicable provisions of this zoning and development code. The city council is authorized to approve MPDs that deviate from strict compliance with otherwise applicable standards of this zoning and development code if they determine that the resulting development provides a greater level of public benefit than would normally be expected for projects developed in strict compliance with this zoning and development code.

88-280-05-B. The MPD district is expressly intended to accommodate the use of alternative standards for public improvements based on the approved development plans. The preliminary development plan must specify the deviations from the city's *Standards, Specifications, and Design Criteria* for streets, sidewalks, stormwater management, and any other public improvement if deviations from otherwise applicable standards are proposed.

88-280-06 - APPROVAL CRITERION

MPD zoning may be approved only when the city council, after receiving the recommendation of the city plan commission, determines that the proposed development cannot be reasonably accommodated by other available regulations of this zoning and development code, and that a MPD would result in a greater benefit to the city as a whole than would development under conventional zoning district regulations. Such greater benefit may include implementation of adopted planning policies, natural resource preservation, urban design, neighborhood/community amenities, or a general level of development quality.

88-260 - UR, URBAN REDEVELOPMENT DISTRICT

88-260-01 - PURPOSE

The purpose of the UR, Urban Redevelopment district is to promote development and redevelopment of underdeveloped and blighted sections of the city and to accommodate flexibility in design to help ensure realization of the stated purposes of an approved plan for redevelopment. UR districts are further intended to promote the following objectives:

88-260-01-A. a more efficient and effective relationship among land use activities;

88-260-01-B. preservation and enhancement of natural, cultural and architectural resources and features;

88-260-01-C. enhancement of redevelopment areas to accommodate effective redevelopment; and

88-260-01-D. seamless and compatible integration of redevelopment projects into the development patterns that exist or that are planned to exist within the subject area.

88-260-02 - REZONING PROCEDURE; ELIGIBILITY FOR UR ZONING

88-260-02-A. A preapplication consultation is required in accordance with 88-505-02 prior to the filing of a zoning map amendment application to District UR.

88-260-02-B. Property may be rezoned to the UR district in accordance with the zoning map amendment procedures of 88-515, except as modified by the specific provisions of this article. An application for an urban redevelopment district must be accompanied by a preliminary development plan. The plan must include information as required by city planning and development department staff.

88-260-02-C. The UR district may be applied only to property that has been designated as a blighted area, a conservation area, or an economic development area.

88-260-02-D. Designation of an area as a blighted area, a conservation area, or an economic development area must follow the provisions of the Land Clearance for Redevelopment Law (RSMo 99.300), Real Property Tax Increment Allocation Redevelopment (RSMo 99.800), Urban Redevelopment Corporations Law (RSMo ch. 353) or Planned Industrial Expansion Authority (RSMo 100.300).

88-260-02-E. Designation as a blighted area, a conservation area, or an economic development area and approval of a plan for redevelopment should occur simultaneously with the processing of a zoning map amendment to the UR district and city plan commission review. The city plan commission must conduct a public hearing on the application for UR zoning and forward its recommendation to city council.

88-260-02-F. An application for a UR district may not be considered by the city council until after the statutory agency has recommended the declaration of the area as a blighted area, a conservation area, or an economic development area and has recommended approval of the a plan for the redevelopment of the property.

88-260-03 - USE REGULATIONS AND LOT AND BUILDING STANDARDS

Properties within the UR district are subject to the use regulations and lot and building standards established at the time of preliminary development plan approval by the city council. The use and development standards established for the subject UR district must be in general conformance with the approved area plan and be compatible with desirable land use and development patterns in the surrounding area.

For a UR district created on or before the effective date of Ordinance 170771 and which allows residential use, short term rental use shall be allowed in accordance with the registration and issuance by the city planning and development director of a short term rental permit and annual renewal provisions of 88-321 unless the use and development standards established by the city council for such UR district, or any persons or entities in control of uses in such UR district, prohibit short term rental use. Other provisions of 88-321 shall not apply to UR districts established prior to enactment of 88-321, except for those of 88-321-04 General Requirements, as applicable.

(Ord. No. 170771 , § 1, 2-22-2018)

88-260-04 - OTHER DEVELOPMENT STANDARDS

Properties within the UR district are subject to the development standards found within the 400 Series of this zoning and development code unless otherwise expressly approved by the city council at the time of preliminary development plan approval.

88-260-05 - DEVELOPMENT PLANS

88-260-05-A. No building permit may be issued for development in the UR district until a final development plan has been approved by the city planning and development department director, except that:

1. a building permit may be issued for nonconforming uses and structures without an approved final development plan; or
2. the owner of any property that is the subject of eminent domain but that has not

been acquired by the condemning authority may continue to use the property for any use existing immediately preceding establishment of UR district. At the time of request for a permit, the property owner must file an affidavit with the city planning and development director stating that the property owner is not in any way affiliated with the condemning authority and further has no intention of securing any of the benefits provided under the plan for redevelopment approved pursuant to the declaration of blight.

88-260-05-B. The final development plan must be reviewed for compliance with the preliminary development plan approved by city council at the time of rezoning to the UR district. If it is determined that the final development plan does not conform to the requirements of the preliminary development plan approved by city council at the time of rezoning, the city planning and development director must notify the developer in writing of the specific deficiencies that exist. Upon receipt of the notice of noncompliance, the developer has the following options:

1. correct the final development plan to conform to the approved preliminary development plan;
2. file a preliminary development plan amendment request pursuant to 88-260-06; or
3. file an appeal of the final development plan review decision in accordance with 88-530-12.

88-260-06 - AMENDMENTS TO APPROVED PRELIMINARY DEVELOPMENT PLANS

88-260-06-A. In the course of carrying out any part of the development plan for a UR district, the developer may submit a request for an amendment of the preliminary development plan approved at the time of rezoning to the UR district. Requests to amend a preliminary development plan must be processed as a zoning map amendment in accordance with 88-515, except that the city planning and development director is authorized to approve minor amendments to UR district preliminary development plans in accordance with the administrative adjustment procedures of 88-570 (see specifically, 88-570-02-H).

88-260-06-B. If any development plan covering all or a portion of a UR district is abandoned, or if any phase is not completed within the time frame established at the time of rezoning and preliminary development plan approval, or if the required declaration of blighted area, conservation area, or economic development area is declared null and void by any court of competent jurisdiction, the city planning and development director may recommend that the area be rezoned to its former or other appropriate classification.

Appendix C

Engagement Letter

Valuation & Advisory

OCTOBER 28, 2019

ECONOMIC DEVELOPMENT CORPORATION (EDC) OF KANSAS CITY, MISSOURI
300 WYANDOTTE, SUITE 400
KANSAS CITY, MO 64105
Attn: HEATHER BROWN, EXECUTIVE DIRECTOR, TIF COMMISSION

RE: Blight/Conservation Study
Pioneer Plaza TIF Plan
5615 Bannister Road
Kansas City, MO

Dear Ms. Brown:

JLL Valuation & Advisory Services, LLC ("we" or "JLL") appreciates the opportunity to provide this proposal for services regarding the Property to ***The EDC*** (the "Client" or "you").

We agree to perform the services outlined in Exhibit A to this letter (the "Services") on the terms provided in this letter.

In return for JLL providing the Services, you agree to pay JLL as follows:

You will pay JLL a fee (the "Fee") equal to **[Four Thousand Five Hundred Dollars]** (**$4,500**). You will pay JLL the Fee within thirty (30) days after we complete the Services and deliver any final report to you. The Fee includes the expenses related to this engagement.

Our invoices will be addressed to the addressee of our report unless you request otherwise in writing.

The Ethics Rule of the Uniform Standards of Professional Appraisal Practice ("USPAP") requires us to disclose to you any prior services (appraisal or otherwise) performed within three years prior to the date of this letter by the individual JLL appraiser who has not provided prior services within the designated disclosure period. Further, to our knowledge, JLL has not performed a previous appraisal, appraisal review or appraisal consulting assignment for the Property.

This letter is subject to the General Terms and Conditions attached to this letter as Exhibit B, the Statement of Assumptions and Limiting Conditions attached to this letter as Exhibit C.

We are enthusiastic about the opportunity to work with you on this project. Please sign a copy of this letter as confirmation of our agreements stated in this letter.

Very truly yours,

Sincerely,

JLL VALUATION & ADVISORY SERVICES, LLC

By: Kenneth Jaggers
Its: Managing Director

READ, AGREED AND ACCEPTED BY:

EDC of Kansas City

By: ________________________
Name: Heather Brown
Title: Executive Director, TIF Commission

Exhibit A
Proposal

Client hereby engages JLL Valuation & Advisory LLC to complete a valuation and consulting assignment as follows:

PROPERTY IDENTIFICATION:	5615 Bannister Road Kansas City Missouri
PROPERTY TYPE:	Vacant retail
INTEREST APPRAISED:	Fee Simple
INTENDED USERS:	EDC of Kansas City, Missouri [NOTE: NO OTHER USERS ARE INTENDED BY JLL VALUATION & ADVISORY. JLL VALUATION & ADVISORY SHALL CONSIDER THE INTENDED USERS WHEN DETERMINING THE LEVEL OF DETAIL TO BE PROVIDED IN THE REPORT.]
INTENDED USE:	To assist Client and intended users (TIF Commission and Kansas City Missouri City Council) in evaluating a request for development incentives
PURPOSE OF ASSIGNMENT:	Determine and report the absence or presence of property factors as described in the Missouri definitions of blight or a conservation area
DATE OF VALUE:	Current
ASSIGNMENT STANDARDS:	Uniform Standards of Professional Appraisal Practice (USPAP) by the Appraisal Foundation and the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute, State of Missouri
ANTICIPATED SCOPE OF WORK:	<u>Site Visit</u> To include exterior on site inspection and an interior inspection <u>Methodology</u> Blight Study or Conservation Study in accordance with Missouri Statute
ASSIGNMENT REPORT OPTION:	Consulting report
DELIVERY DATE:	November 29 or three weeks from receiving authorization to proceed
DELIVERY METHOD:	Electronic delivery and participation it TIF Commission and City Council Committee
PROPOSED IMPROVEMENTS:	None
HYPOTHETICAL CONDITIONS AND EXTRAORDINARY ASSUMPTIONS:	None anticipated

Valuation & Advisory

TERMS AND CONDITIONS

1. INTRODUCTION

1.1 These Terms and Conditions supplement the proposal, agreement, letter of engagement or email (the "engagement") between JLL Valuation and Advisory Services, LLC and the Client indicated in the engagement that sets out details of the Services to be provided to the Client. All capitalized terms in this exhibit have the meanings given to them in the engagement unless given a different meaning in this exhibit. These Terms and Conditions, together with the engagement and all other exhibits, schedules and riders to the engagement, are collectively called the "agreement".

2. SERVICES

2.1 We will provide the Services using reasonable care and skill.

2.2 We may make changes to the Services if necessary to comply with any law or safety requirement. We will notify you if that happens. Otherwise, JLL and the Client must agree in writing to any changes to the Services, the Fees, or any other provision of the agreement.

3. CLIENT OBLIGATIONS

3.1 You agree to give us all documents and other information that we advise you are reasonably necessary for us to provide the Services.

3.2 You will maintain adequate property and public liability insurance to reasonably insure property that you own or occupy and any activities on that property. You will obtain all necessary licenses, permissions and consents which may be required to enable us to perform the Services (other than professional licenses that we are required to maintain to perform the Services). You are responsible to keep your property in a safe conditions so that we may perform the Services in reasonable safety.

3.3 You will notify us promptly if you believe any information you have provided is incomplete or inaccurate.

4. DELAY

We are not responsible for any delay in our performance of the Services if caused by any event beyond our reasonable control, or for any delay caused by your failure to comply with the agreement.

5. FEES, EXPENSES AND PAYMENT

5.1 You agree that your obligation to pay the Fee is not contingent upon the results, conclusions or recommendations we provide.

5.2 If we are asked to invoice any other party, you agree to settle our invoice immediately if the other party does not do so within 30 days of the date of the invoice.

5.3 Delinquent payments under the agreement will earn interest at the rate of one and one-half percent (1-1/2%) per month from the date due until paid, or if lower, the maximum rate permitted by law. If the Fee or any part of it remains unpaid 30 days after it was due, you may not use any report or work product we have delivered to you for any reason.

5.4 If you terminate this agreement before the Services are completed, you will pay us, no later than the termination date, a reasonable fee proportionate to the part of the Services performed to the date of termination.

5.5 Our rights under Section 5.3 and 5.4 are in addition to, and will not limit, our right to pursue any other rights and remedies under the agreement or at law or in equity.

6. INDEMNITY

You agree to indemnify and defend us and hold us harmless from any loss, liability or expense (including attorneys' fees) arising from a third party action, claim or proceeding ("Loss") that we suffer arising out of the agreement or the Services, other than Loss that a court of competent jurisdiction has determined was the result of our negligence or willful misconduct. We agree to indemnify and defend you and hold you harmless from any Loss that you suffer arising out of our negligent performance of Services under the agreement, other than Loss that is found by a court of competent jurisdiction to result from your negligence or willful misconduct.

7. EXCLUSIONS OF, AND LIMITATIONS ON, LIABILITY

7.1 EACH OF JLL AND THE CLIENT WAIVES ANY CLAIMS AGAINST EACH OTHER FOR LOSS OF PROFITS, CONSEQUENTIAL, PUNITIVE, EXEMPLARY OR SIMILAR DAMAGES IN CONNECTION WITH THE AGREEMENT. IN NO EVENT SHALL JLL'S LIABILITY IN CONNECTION WITH THE AGREEMENT EXCEED THE FEE PAID TO JLL HEREUNDER.

8. TERMINATION

8.1 Either of us may terminate the agreement without reason by giving 30 days' advance written notice to the other.

8.2 Either of us may terminate the agreement immediately if the other breaches the agreement and fails to remedy the breach within 10 days of notice by the non-breaching party.

8.3 We may terminate the agreement immediately for any of the following reasons:

(a) We cannot provide any of the Services due to conditions beyond our reasonable control.

(b) In our reasonable opinion, there is insufficient information available to provide a report or other work product that meets our standards.

(c) A conflict of interest arises which prevents us from acting for you.

(d) You have asked us to provide reports or work product that we do not consider to be accurate.

9. APPRAISAL REPORT ASSUMPTIONS AND LIMITATIONS

9.1 Any report or other work product we deliver as part of the Services will be subject to our standard Statement of Assumptions and Limiting Conditions, provided as an exhibit and as part of the agreement, which will be incorporated into the report or work product.

10. CONFIDENTIALITY

10.1 We each agree to maintain the confidentiality of each other's confidential information and will not disclose any information received in confidence from each other, until two years after termination or expiration of the agreement, except where required to do so by law.

10.2 Any report or other work product that we deliver to you in connection with the Services is confidential and may be used by only you, unless we agree otherwise in writing.

11. INTELLECTUAL PROPERTY RIGHTS

11.1 We retain all copyright (and other intellectual property rights) in all materials, reports, systems and other deliverables which we produce or develop for the purposes of the agreement, or which we use to provide the Services.

11.2 You will not reproduce or copy any part of any report or other work product we produce as part of the Services without our prior written consent.

12. GENERAL

12.1 The agreement may be modified only by a written agreement signed by both of us. Liability accruing before the agreement terminates or expires will survive termination or expiration.

12.2 The agreement states the entire agreement, and supersedes all prior agreements, between you and JLL with respect to the matters described in the agreement.

12.3 If a court determines that any part of the agreement is unenforceable, the remainder of the agreement will remain in effect.

12.4 The agreement is governed by the laws of the State of Illinois. Each of us irrevocably submits to the exclusive jurisdiction of the courts of that State.

12.5 The agreement may be executed in multiple counterparts.

12.6 No director, officer, agent, employee or representative of either of us has any personal liability in connection with the agreement.

12.7 Neither of us may assign or transfer any rights or obligations under the agreement without the prior written approval of the other. We each agree to be reasonable in evaluating such a request for approval.

12.8 If there is any conflict between the terms of the letter and this exhibit, the terms of the letter will prevail.

12.9 If either of us fails to enforce any provision or exercise any right under the Agreement at any time, that failure will not operate as a waiver to enforce that provision or to exercise that right at any other time.

12.10 The agreement does not establish any partnership or joint venture between us, or make either of us the agent of the other.

12.11 A person who is not a party to the agreement does not have any rights to enforce its terms unless specifically agreed in writing.

12.12 Neither of us may publicize or issue any specific information to the media about the Services or the agreement without the written consent of the other.

12.13 Each of us represents to the other that it is not a person or entity with whom U.S. entities are restricted from doing business under regulations of the Office of Foreign Asset Control ("OFAC") of the Department of the Treasury (including those named on OFAC's Specially Designated and Blocked Persons List) or under any statute, executive order or other governmental action. Each of us agrees to comply with all applicable laws, statutes, and regulations relating to anti-bribery and anti-corruption.

12.14 If you do not comply with your obligations under the agreement and we commence legal action to enforce our rights, you will reimburse our reasonable costs (including attorneys' fees), associated with such action. **THE PARTIES HEREBY WAIVE TRIAL BY JURY**.

12.15 Sections 5, 6, 7, 10, 11, 12.1, 13, 17 and 18 will survive termination of the agreement.

13. USE OF DATA AND DATA PROTECTION

13.1 You agree as follows: (i) The data we collect in connection with the agreement will remain our property. (ii) We and our affiliates may utilize, sell and include data you have provided (either in the aggregate or individually) in the databases of JLL and its affiliates and for use in derivative products. (iii) We may utilize all data already in the public domain on an unrestricted basis.

13.2 In order for us to provide the Services, we may need to record and maintain in hard copy and/or in electronic form, information regarding the Client, its officers and any other individuals connected with the Client (collectively "Data Subjects"). We may also verify the identity of Data Subjects, which could include carrying out checks with third parties such as credit reference, anti-money laundering or sanctions checking agencies.

13.3 We may use all information that we hold regarding Data Subjects to provide the Services. We may also use and share it with third parties for other purposes as described in our Privacy Statement available at www.jll.com.

13.4 We may use both commercially available and proprietary software programs to perform the Services (web based and others).

14. SPECIAL EXPERTS

14.1 If you request our assistance in hiring a special expert to contribute to any assignment (such as a surveyor, environmental consultant, land planner, architect, engineer, business, personal property, machinery and equipment appraiser, among others), you will perform your own due diligence to qualify the special expert. You will be responsible to pay for the services of the special expert.

14.2 We not responsible for the actions and findings of any special expert. You agree to indemnify and defend us and hold us harmless from all damages that may arise out of your reliance on any special expert.

15. CONFLICTS POLICY

JLL adheres to a strict conflict of interest policy. If we learn of a conflict of interest, we will notify you and recommend a course of action to resolve the conflict. If we learn of a conflict that we do not believe can be resolved, we may terminate the agreement without penalty.

16. FIRREA REQUIREMENTS

Federal banking regulations require banks and other lending institutions to engage appraisers where FIRREA compliant appraisals must be used in connection with mortgage loans or other transactions involving federally regulated lending institutions. Given that requirement, any report produced by JLL under the agreement, if ordered independent of a financial institution or agent, might not be FIRREA compliant or acceptable to a federally regulated financial institution.

17. USE OF WORK PRODUCT AND RELIANCE

17.1 You agree that any report or other work product we produce in connection with the Services are for your use only, and only for the purpose indicated in the agreement. No person or entity other than the Client may use or rely on any such report or work product unless we consent otherwise in writing, even if such reliance is foreseeable. Any person who receives a copy of any report or other work product we produce as a consequence of disclosure requirements that apply to the Client, does not become an intended user of this report unless the Client specifically identified them at the time of the engagement.

17.2 You will not use any such report or work product in connection with any public documents. You will not refer to JLL in any public documents without our prior written consent. We may give or withhold our consent in our sole discretion for any purpose under this Section 17.

18. LITIGATION MATTERS

18.1 We are not required to testify or provide court-related consultation or to be in attendance in court unless we have agreed to do so in the agreement or otherwise in writing, or if required by law.

18.2 If we receive a subpoena or other judicial command to produce documents or to provide testimony in a lawsuit or proceeding regarding the agreement, we will notify you if allowed by law to do so. However, if we are not a party to these proceedings, you agree to compensate us for our professional time at the then prevailing hourly rates of the personnel responding to the subpoena or providing testimony, and to reimburse us for our actual expenses incurred in responding to any such subpoena or judicial command, including attorneys' fees, if any, as they are incurred.

STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS

1. All reports and work product we deliver to you (collectively called "report") represents an opinion of value, based on historical information and forecasts of market conditions. Actual results may vary from those forecast in the report. There is no guaranty or warranty that the opinion of value reflects the actual value of the property.

2. The conclusions stated in our report apply only as of the effective date of the appraisal, and no representation is made as to the effect of subsequent events. Assessed values may change significantly and unexpectedly over short periods. We are not liable for any conclusions in the report that may be different if there are subsequent changes in value. We are not liable for loss relating to reliance upon our report more than three months after its date.

3. There may be differences between projected and actual results because events and circumstances frequently do not occur as predicted, and those differences may be material. We are not liable for any loss arising from these differences.

4. We are not obligated to predict future political, economic or social trends. We assume no responsibility for economic factors that may affect or alter the opinions in the report if the economic factors were not present as of the date of the letter of transmittal accompanying the report.

5. The report reflects an appraisal of the property free of any liens or encumbrances unless otherwise stated.

6. We assume responsible ownership and competent property management.

7. The appraisal process requires information from a wide variety of sources. We have assumed that all information furnished by others is correct and complete, up to date and can be relied upon, but no warranty is given for its accuracy. We do not accept responsibility for erroneous information provided by others. We assume that no information that has a material effect on our appraisal has been withheld.

8. We assume the following, unless informed to the contrary in writing: Each property has a good and marketable title. All documentation is satisfactorily drawn and that there are no encumbrances, restrictions, easements or other adverse title conditions, which would have a material effect on the value of the interest under consideration. There is no material litigation pending involving the property. All information provided by the Client, or its agents, is correct, up to date and can be relied upon. We are not responsible for considerations requiring expertise in other fields, including but not limited to: legal descriptions, interpretation of legal documents and other legal matters, geologic considerations such as soils and seismic stability, engineering, or environmental and toxic contaminants. We recommend that you engage suitable consultants to advise you on these matters.

9. We assume that all engineering studies correct. The plot plans and illustrative material in the report are included only to help the reader visualize the property.

10. We assume that there are no hidden or unapparent conditions of the property, subsoil or structures that render it more or less valuable. We are not responsible for such conditions or for obtaining the engineering studies that may be required to discover them.

11. We assume that the property is in full compliance with all applicable federal, state, and local environmental regulations and laws unless the lack of compliance is stated, described, and considered in the report. We have not made or requested any environmental impact studies in conjunction with the report. We reserve the right to revise or rescind any opinion of value that is based upon any subsequent environmental impact studies. If any environmental impact statement is required by law, the report assumes that such statement will be favorable and will be approved by the appropriate regulatory bodies.

12. Unless otherwise stated in the report, you should assume that we did not observe any hazardous materials on the property. We have no knowledge of the existence of such materials on or in the property; however, we are not qualified to detect such substances, and we are not providing environmental services. The presence of substances such as asbestos, urea-formaldehyde foam insulation and other potentially hazardous materials may affect the value of the property. Our report assumes that there is no such material on or in the property that would cause a loss in value. We do not assume responsibility for such conditions or for any expertise or engineering knowledge required to discover them. We encourage you to retain an expert in this field, if desired. We are not responsible for any such environmental conditions that exist or for any engineering or testing that might be required to discover whether such conditions exist.

STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS

We are not experts in the field of environmental conditions, and the report is not an environmental assessment of the property.

13. We may have reviewed available flood maps and may have noted in the report whether the property is generally located within or out of an identified Special Flood Hazard Area. However, we are not qualified to detect such areas and therefore do not guarantee such determinations. The presence of flood plain areas and/or wetlands may affect the value of the property. Any opinion of value we include in our report assumes that floodplain and/or wetlands interpretations are accurate.

14. The Americans with Disabilities Act (ADA) became effective January 26, 1992. We have not made a specific survey or analysis of the property to determine whether it is in compliance with the ADA. We claim no expertise in ADA issues, and render no opinion regarding compliance of the property with ADA regulations.

15. We assume that the property conforms to all applicable zoning and use regulations and restrictions unless we have identified, described and considered a non-conformity in the report.

16. We assume that all required licenses, certificates of occupancy, consents, and other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the opinion of value contained in the report is based.

17. We assume that the use of the land and improvements is confined within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.

18. We have not made any investigation of the financial standing of actual or prospective tenants unless specifically noted in the report. Where properties are valued with the benefit of leasing, we assume, unless we are informed otherwise, that the tenants are capable of meeting their financial obligations under the leases, all rent and other amounts payable under the leases have been paid when due, and that there are no undisclosed breaches of the leases.

19. We did not conduct a formal survey of the property and assume no responsibility for any survey matters. The Client has supplied the spatial data, including sketches and/or surveys included in the report, and we assume that data is correct, up to date and can be relied upon.

20. Unless otherwise stated, the opinion of value included in our report excludes any additional value attributable to goodwill, or to fixtures and fittings which are only of value, in situ, to the present occupier. We have made no allowance for any plant, machinery or equipment unless they form an integral part of the building and would normally be included in a sale of the building. We do not normally carry out or commission investigations into the capacity or condition of services being provided to the property. We assume that the services, and any associated controls or software, are in working order and free from defect. We also assume that the services are of sufficient capacity to meet current and future needs.

21. In the case of property where construction work is in progress, such as refurbishment or repairs, or where developments are in progress, we have relied upon cost information supplied to us by the Client or its appointed experts or upon industry accepted cost guides. In the case of property where construction work is in progress, or has recently been completed, we do not make allowance for any liability already incurred, but not yet discharged, in respect of completed work, or obligations in favor of contractors, subcontractors or any members of the professional or design team. We assume the satisfactory completion of construction, repairs or alterations in a workmanlike manner.

22. Any allocation in the report of value between the land and the improvements applies only under the stated program of utilization. The separate values allocated to the land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.

23. The report is confidential to the party to whom it is addressed and those other intended users specified in the report for the specific purpose to which it refers. Use of the report for any other purpose or use by any party not identified as an intended user of the report without our prior written consent is prohibited, and we accept no responsibility for any use of the report in violation of the terms of this Agreement.

24. We are not required to testify or provide court-related consultation or to be in attendance in court unless we have agreed to do so in writing.

STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS

25. Neither the whole report, nor any part, nor reference thereto, may be published in any manner without our prior written approval.

26. We may rely on, and will not verify, the accuracy and sufficiency of documents, information and assumptions provided to it by the Client or others. We will not verify documents, information and assumptions derived from industry sources or that JLL or its affiliates have prepared in the regular course of business. We are not liable for any deficiency in the report arising from the inaccuracy or insufficiency of such information, documents and assumptions. However, our report will be based on our professional evaluation of all such available sources of information.

27. JLL IS NOT LIABLE TO ANY PERSON OR ENTITY FOR LOSS OF PROFITS, CONSEQUENTIAL, PUNITIVE, EXEMPLARY OR SIMILAR DAMAGES IN CONNECTION WITH THIS AGREEMENT. IN NO EVENT SHALL THE LIABILITY OF JLL AND ITS AFFILIATES IN CONNECTION WITH THIS AGREEMENT EXCEED THE FEE PAID TO JLL HEREUNDER.

28. Unless expressly advised to the contrary, we assume that appropriate insurance coverage is and will continue to be available on commercially acceptable terms.

29. We assume that no material changes in any applicable federal, state or local laws, regulations or codes (including, without limitation, the Internal Revenue Code) are anticipated.

30. We may determine during the course of the assignment that additional Hypothetical Conditions and Extraordinary Assumptions may be required in order to complete the assignment. The report will be subject to those Hypothetical Conditions and Extraordinary Assumptions. Each person that is permitted to use the report agrees to be bound by all the Assumptions and Limiting Conditions and any Hypothetical Conditions and Extraordinary Assumptions stated in the report.

DATA REQUEST

Property Contact Information

Name:

Phone Number:

Email Address:

Property Information

Property Survey

Title Insurance Report

Environmental Site Assessment

Property Condition Report

Building floor plan and site plan

Valuation & Advisory

MAY 28, 2020

5615 E. BANNISTER ROAD, LLC
ATTN: KEITH GREENGROVE
327 W. MAPLE AVE.
MONROVIA, CA 91016

RE: Blight Study
Pioneer Plaza TIF Plan
5615 Bannister Road
Kansas City, MO

Dear Ms. Moriarity:

JLL Valuation & Advisory Services, LLC ("we" or "JLL") appreciates the opportunity to provide this proposal for services regarding the Property to ***5615 E. Bannister Rd., LLC*** (the "Client" or "you").

We agree to perform the services outlined in Exhibit A to this letter (the "Services") on the terms provided in this letter.

In return for JLL providing the Services, you agree to pay JLL as follows:

You will pay JLL a fee (the "Fee") equal to **[Two Thousand Dollars]** (**$2,000**). You will pay JLL the Fee within thirty (30) days after we complete the Services and deliver any final report to you. The Fee includes the expenses related to this engagement.

Our invoices will be addressed to the addressee of our report unless you request otherwise in writing.

The Ethics Rule of the Uniform Standards of Professional Appraisal Practice ("USPAP") requires us to disclose to you any prior services. We previously completed a Conservation Study of this property and this new assignment is a continuation of our prior services.

This letter is subject to the General Terms and Conditions attached to this letter as Exhibit B, the Statement of Assumptions and Limiting Conditions attached to this letter as Exhibit C.

We are enthusiastic about the opportunity to work with you on this project. Please sign a copy of this letter as confirmation of our agreements stated in this letter.

Very truly yours,

Sincerely,

JLL VALUATION & ADVISORY SERVICES, LLC

By: Kenneth Jaggers
Its: Managing Director

READ, AGREED AND ACCEPTED BY:

5615 E. Bannister Rd., LLC

By: ____________________ 5/29/2020

Keith Greengrove, authorizes signatory

EXHIBIT A
PROPOSAL

Client hereby engages JLL Valuation & Advisory LLC to complete a valuation and consulting assignment as follows:

PROPERTY IDENTIFICATION:	5615 Bannister Road Kansas City Missouri
PROPERTY TYPE:	Vacant retail
INTEREST CONSIDERED:	Fee Simple
INTENDED USERS:	EDC of Kansas City, Missouri, City of Kansas City, MO, 5615 E. Bannister Rd., LLC, and Sunflower Development [NOTE: NO OTHER USERS ARE INTENDED BY JLL VALUATION & ADVISORY. JLL VALUATION & ADVISORY SHALL CONSIDER THE INTENDED USERS WHEN DETERMINING THE LEVEL OF DETAIL TO BE PROVIDED IN THE REPORT.]
INTENDED USE:	To assist Client and intended users (TIF Commission and Kansas City Missouri City Council) in evaluating a request for development incentives
PURPOSE OF ASSIGNMENT:	Determine and report the absence or presence of property factors as described in the Missouri definitions of blighted area.
DATE OF VALUE:	Current
ASSIGNMENT STANDARDS:	Uniform Standards of Professional Appraisal Practice (USPAP) by the Appraisal Foundation and the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute, State of Missouri
ANTICIPATED SCOPE OF WORK:	<u>Site Visit</u> NA completed with prior assignment (11/2019) <u>Methodology</u> Blight Study in accordance with Missouri Statute
ASSIGNMENT REPORT OPTION:	Consulting report
DELIVERY DATE:	June 5, 2020.
DELIVERY METHOD:	Electronic delivery and participation in Video Conference as necessary.
PROPOSED IMPROVEMENTS:	None
HYPOTHETICAL CONDITIONS AND EXTRAORDINARY ASSUMPTIONS:	None anticipated

TERMS AND CONDITIONS

1. INTRODUCTION

1.1 These Terms and Conditions supplement the proposal, agreement, letter of engagement or email (the "engagement") between JLL Valuation and Advisory Services, LLC and the Client indicated in the engagement that sets out details of the Services to be provided to the Client. All capitalized terms in this exhibit have the meanings given to them in the engagement unless given a different meaning in this exhibit. These Terms and Conditions, together with the engagement and all other exhibits, schedules and riders to the engagement, are collectively called the "agreement".

2. SERVICES

2.1 We will provide the Services using reasonable care and skill.

2.2 We may make changes to the Services if necessary to comply with any law or safety requirement. We will notify you if that happens. Otherwise, JLL and the Client must agree in writing to any changes to the Services, the Fees, or any other provision of the agreement.

3. CLIENT OBLIGATIONS

3.1 You agree to give us all documents and other information that we advise you are reasonably necessary for us to provide the Services.

3.2 You will maintain adequate property and public liability insurance to reasonably insure property that you own or occupy and any activities on that property. You will obtain all necessary licenses, permissions and consents which may be required to enable us to perform the Services (other than professional licenses that we are required to maintain to perform the Services). You are responsible to keep your property in a safe conditions so that we may perform the Services in reasonable safety.

3.3 You will notify us promptly if you believe any information you have provided is incomplete or inaccurate.

4. DELAY

We are not responsible for any delay in our performance of the Services if caused by any event beyond our reasonable control, or for any delay caused by your failure to comply with the agreement.

5. FEES, EXPENSES AND PAYMENT

5.1 You agree that your obligation to pay the Fee is not contingent upon the results, conclusions or recommendations we provide.

5.2 If we are asked to invoice any other party, you agree to settle our invoice immediately if the other party does not do so within 30 days of the date of the invoice.

5.3 Delinquent payments under the agreement will earn interest at the rate of one and one-half percent (1-1/2%) per month from the date due until paid, or if lower, the maximum rate permitted by law. If the Fee or any part of it remains unpaid 30 days after it was due, you may not use any report or work product we have delivered to you for any reason.

5.4 If you terminate this agreement before the Services are completed, you will pay us, no later than the termination date, a reasonable fee proportionate to the part of the Services performed to the date of termination.

5.5 Our rights under Section 5.3 and 5.4 are in addition to, and will not limit, our right to pursue any other rights and remedies under the agreement or at law or in equity.

6. INDEMNITY

You agree to indemnify and defend us and hold us harmless from any loss, liability or expense (including attorneys' fees) arising from a third party action, claim or proceeding ("Loss") that we suffer arising out of the agreement or the Services, other than Loss that a court of competent jurisdiction has determined was the result of our negligence or willful misconduct. We agree to indemnify and defend you and hold you harmless from any Loss that you suffer arising out of our negligent performance of Services under the agreement, other than Loss that is found by a court of competent jurisdiction to result from your negligence or willful misconduct.

7. EXCLUSIONS OF, AND LIMITATIONS ON, LIABILITY

7.1 EACH OF JLL AND THE CLIENT WAIVES ANY CLAIMS AGAINST EACH OTHER FOR LOSS OF PROFITS, CONSEQUENTIAL, PUNITIVE, EXEMPLARY OR SIMILAR DAMAGES IN CONNECTION WITH THE AGREEMENT. IN NO EVENT SHALL JLL'S LIABILITY IN CONNECTION WITH THE AGREEMENT EXCEED THE FEE PAID TO JLL HEREUNDER.

8. TERMINATION

8.1 Either of us may terminate the agreement without reason by giving 30 days' advance written notice to the other.

8.2 Either of us may terminate the agreement immediately if the other breaches the agreement and fails to remedy the breach within 10 days of notice by the non-breaching party.

8.3 We may terminate the agreement immediately for any of the following reasons:

(a) We cannot provide any of the Services due to conditions beyond our reasonable control.

(b) In our reasonable opinion, there is insufficient information available to provide a report or other work product that meets our standards.

(c) A conflict of interest arises which prevents us from acting for you.

(d) You have asked us to provide reports or work product that we do not consider to be accurate.

9. APPRAISAL REPORT ASSUMPTIONS AND LIMITATIONS

9.1 Any report or other work product we deliver as part of the Services will be subject to our standard Statement of Assumptions and Limiting Conditions, provided as an exhibit and as part of the agreement, which will be incorporated into the report or work product.

10. CONFIDENTIALITY

10.1 We each agree to maintain the confidentiality of each other's confidential information and will not disclose any information received in confidence from each other, until two years after termination or expiration of the agreement, except where required to do so by law.

10.2 Any report or other work product that we deliver to you in connection with the Services is confidential and may be used by only you, unless we agree otherwise in writing.

11. INTELLECTUAL PROPERTY RIGHTS

11.1 We retain all copyright (and other intellectual property rights) in all materials, reports, systems and other deliverables which we produce or develop for the purposes of the agreement, or which we use to provide the Services.

11.2 You will not reproduce or copy any part of any report or other work product we produce as part of the Services without our prior written consent.

12. GENERAL

12.1 The agreement may be modified only by a written agreement signed by both of us. Liability accruing before the agreement terminates or expires will survive termination or expiration.

12.2 The agreement states the entire agreement, and supersedes all prior agreements, between you and JLL with respect to the matters described in the agreement.

12.3 If a court determines that any part of the agreement is unenforceable, the remainder of the agreement will remain in effect.

12.4 The agreement is governed by the laws of the State of Illinois. Each of us irrevocably submits to the exclusive jurisdiction of the courts of that State.

12.5 The agreement may be executed in multiple counterparts.

12.6 No director, officer, agent, employee or representative of either of us has any personal liability in connection with the agreement.

12.7 Neither of us may assign or transfer any rights or obligations under the agreement without the prior written approval of the other. We each agree to be reasonable in evaluating such a request for approval.

12.8 If there is any conflict between the terms of the letter and this exhibit, the terms of the letter will prevail.

12.9 If either of us fails to enforce any provision or exercise any right under the Agreement at any time, that failure will not operate as a waiver to enforce that provision or to exercise that right at any other time.

12.10 The agreement does not establish any partnership or joint venture between us, or make either of us the agent of the other.

12.11 A person who is not a party to the agreement does not have any rights to enforce its terms unless specifically agreed in writing.

12.12 Neither of us may publicize or issue any specific information to the media about the Services or the agreement without the written consent of the other.

12.13 Each of us represents to the other that it is not a person or entity with whom U.S. entities are restricted from doing business under regulations of the Office of Foreign Asset Control ("OFAC") of the Department of the Treasury (including those named on OFAC's Specially Designated and Blocked Persons List) or under any statute, executive order or other governmental action. Each of us agrees to comply with all applicable laws, statutes, and regulations relating to anti-bribery and anti-corruption.

12.14 If you do not comply with your obligations under the agreement and we commence legal action to enforce our rights, you will reimburse our reasonable costs (including attorneys' fees), associated with such action. THE PARTIES HEREBY WAIVE TRIAL BY JURY.

12.15 Sections 5, 6, 7, 10, 11, 12.1, 13, 17 and 18 will survive termination of the agreement.

13. USE OF DATA AND DATA PROTECTION

13.1 You agree as follows: (i) The data we collect in connection with the agreement will remain our property. (ii) We and our affiliates may utilize, sell and include data you have provided (either in the aggregate or individually) in the databases of JLL and its affiliates and for use in derivative products. (iii) We may utilize all data already in the public domain on an unrestricted basis.

13.2 In order for us to provide the Services, we may need to record and maintain in hard copy and/or in electronic form, information regarding the Client, its officers and any other individuals connected with the Client (collectively "Data Subjects"). We may also verify the identity of Data Subjects, which could include carrying out checks with third parties such as credit reference, anti-money laundering or sanctions checking agencies.

13.3 We may use all information that we hold regarding Data Subjects to provide the Services. We may also use and share it with third parties for other purposes as described in our Privacy Statement available at www.jll.com.

13.4 We may use both commercially available and proprietary software programs to perform the Services (web based and others).

14. SPECIAL EXPERTS

14.1 If you request our assistance in hiring a special expert to contribute to any assignment (such as a surveyor, environmental consultant, land planner, architect, engineer, business, personal property, machinery and equipment appraiser, among others), you will perform your own due diligence to qualify the special expert. You will be responsible to pay for the services of the special expert.

14.2 We not responsible for the actions and findings of any special expert. You agree to indemnify and defend us and hold us harmless from all damages that may arise out of your reliance on any special expert.

15. CONFLICTS POLICY

JLL adheres to a strict conflict of interest policy. If we learn of a conflict of interest, we will notify you and recommend a course of action to resolve the conflict. If we learn of a conflict that we do not believe can be resolved, we may terminate the agreement without penalty.

16. FIRREA REQUIREMENTS

Federal banking regulations require banks and other lending institutions to engage appraisers where FIRREA compliant appraisals must be used in connection with mortgage loans or other transactions involving federally regulated lending institutions. Given that requirement, any report produced by JLL under the agreement, if ordered independent of a financial institution or agent, might not be FIRREA compliant or acceptable to a federally regulated financial institution.

17. USE OF WORK PRODUCT AND RELIANCE

17.1 You agree that any report or other work product we produce in connection with the Services are for your use only, and only for the purpose indicated in the agreement. No person or entity other than the Client may use or rely on any such report or work product unless we consent otherwise in writing, even if such reliance is foreseeable. Any person who receives a copy of any report or other work product we produce as a consequence of disclosure requirements that apply to the Client, does not become an intended user of this report unless the Client specifically identified them at the time of the engagement.

17.2 You will not use any such report or work product in connection with any public documents. You will not refer to JLL in any public documents without our prior written consent. We may give or withhold our consent in our sole discretion for any purpose under this Section 17.

18. LITIGATION MATTERS

18.1 We are not required to testify or provide court-related consultation or to be in attendance in court unless we have agreed to do so in the agreement or otherwise in writing, or if required by law.

18.2 If we receive a subpoena or other judicial command to produce documents or to provide testimony in a lawsuit or proceeding regarding the agreement, we will notify you if allowed by law to do so. However, if we are not a party to these proceedings, you agree to compensate us for our professional time at the then prevailing hourly rates of the personnel responding to the subpoena or providing testimony, and to reimburse us for our actual expenses incurred in responding to any such subpoena or judicial command, including attorneys' fees, if any, as they are incurred.

STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS

1. All reports and work product we deliver to you (collectively called "report") represents an opinion of value, based on historical information and forecasts of market conditions. Actual results may vary from those forecast in the report. There is no guaranty or warranty that the opinion of value reflects the actual value of the property.
2. The conclusions stated in our report apply only as of the effective date of the appraisal, and no representation is made as to the effect of subsequent events. Assessed values may change significantly and unexpectedly over short periods. We are not liable for any conclusions in the report that may be different if there are subsequent changes in value. We are not liable for loss relating to reliance upon our report more than three months after its date.
3. There may be differences between projected and actual results because events and circumstances frequently do not occur as predicted, and those differences may be material. We are not liable for any loss arising from these differences.
4. We are not obligated to predict future political, economic or social trends. We assume no responsibility for economic factors that may affect or alter the opinions in the report if the economic factors were not present as of the date of the letter of transmittal accompanying the report.
5. The report reflects an appraisal of the property free of any liens or encumbrances unless otherwise stated.
6. We assume responsible ownership and competent property management.
7. The appraisal process requires information from a wide variety of sources. We have assumed that all information furnished by others is correct and complete, up to date and can be relied upon, but no warranty is given for its accuracy. We do not accept responsibility for erroneous information provided by others. We assume that no information that has a material effect on our appraisal has been withheld.
8. We assume the following, unless informed to the contrary in writing: Each property has a good and marketable title. All documentation is satisfactorily drawn and that there are no encumbrances, restrictions, easements or other adverse title conditions, which would have a material effect on the value of the interest under consideration. There is no material litigation pending involving the property. All information provided by the Client, or its agents, is correct, up to date and can be relied upon. We are not responsible for considerations requiring expertise in other fields, including but not limited to: legal descriptions, interpretation of legal documents and other legal matters, geologic considerations such as soils and seismic stability, engineering, or environmental and toxic contaminants. We recommend that you engage suitable consultants to advise you on these matters.
9. We assume that all engineering studies correct. The plot plans and illustrative material in the report are included only to help the reader visualize the property.
10. We assume that there are no hidden or unapparent conditions of the property, subsoil or structures that render it more or less valuable. We are not responsible for such conditions or for obtaining the engineering studies that may be required to discover them.
11. We assume that the property is in full compliance with all applicable federal, state, and local environmental regulations and laws unless the lack of compliance is stated, described, and considered in the report. We have not made or requested any environmental impact studies in conjunction with the report. We reserve the right to revise or rescind any opinion of value that is based upon any subsequent environmental impact studies. If any environmental impact statement is required by law, the report assumes that such statement will be favorable and will be approved by the appropriate regulatory bodies.
12. Unless otherwise stated in the report, you should assume that we did not observe any hazardous materials on the property. We have no knowledge of the existence of such materials on or in the property; however, we are not qualified to detect such substances, and we are not providing environmental services. The presence of substances such as asbestos, urea-formaldehyde foam insulation and other potentially hazardous materials may affect the value of the property. Our report assumes that there is no such material on or in the property that would cause a loss in value. We do not assume responsibility for such conditions or for any expertise or engineering knowledge required to discover them. We encourage you to retain an expert in this field, if desired. We are not responsible for any such environmental conditions that exist or for any engineering or testing that might be required to discover whether such conditions exist.

STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS

We are not experts in the field of environmental conditions, and the report is not an environmental assessment of the property.

13. We may have reviewed available flood maps and may have noted in the report whether the property is generally located within or out of an identified Special Flood Hazard Area. However, we are not qualified to detect such areas and therefore do not guarantee such determinations. The presence of flood plain areas and/or wetlands may affect the value of the property. Any opinion of value we include in our report assumes that floodplain and/or wetlands interpretations are accurate.

14. The Americans with Disabilities Act (ADA) became effective January 26, 1992. We have not made a specific survey or analysis of the property to determine whether it is in compliance with the ADA. We claim no expertise in ADA issues, and render no opinion regarding compliance of the property with ADA regulations.

15. We assume that the property conforms to all applicable zoning and use regulations and restrictions unless we have identified, described and considered a non-conformity in the report.

16. We assume that all required licenses, certificates of occupancy, consents, and other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the opinion of value contained in the report is based.

17. We assume that the use of the land and improvements is confined within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.

18. We have not made any investigation of the financial standing of actual or prospective tenants unless specifically noted in the report. Where properties are valued with the benefit of leasing, we assume, unless we are informed otherwise, that the tenants are capable of meeting their financial obligations under the leases, all rent and other amounts payable under the leases have been paid when due, and that there are no undisclosed breaches of the leases.

19. We did not conduct a formal survey of the property and assume no responsibility for any survey matters. The Client has supplied the spatial data, including sketches and/or surveys included in the report, and we assume that data is correct, up to date and can be relied upon.

20. Unless otherwise stated, the opinion of value included in our report excludes any additional value attributable to goodwill, or to fixtures and fittings which are only of value, in situ, to the present occupier. We have made no allowance for any plant, machinery or equipment unless they form an integral part of the building and would normally be included in a sale of the building. We do not normally carry out or commission investigations into the capacity or condition of services being provided to the property. We assume that the services, and any associated controls or software, are in working order and free from defect. We also assume that the services are of sufficient capacity to meet current and future needs.

21. In the case of property where construction work is in progress, such as refurbishment or repairs, or where developments are in progress, we have relied upon cost information supplied to us by the Client or its appointed experts or upon industry accepted cost guides. In the case of property where construction work is in progress, or has recently been completed, we do not make allowance for any liability already incurred, but not yet discharged, in respect of completed work, or obligations in favor of contractors, subcontractors or any members of the professional or design team. We assume the satisfactory completion of construction, repairs or alterations in a workmanlike manner.

22. Any allocation in the report of value between the land and the improvements applies only under the stated program of utilization. The separate values allocated to the land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.

23. The report is confidential to the party to whom it is addressed and those other intended users specified in the report for the specific purpose to which it refers. Use of the report for any other purpose or use by any party not identified as an intended user of the report without our prior written consent is prohibited, and we accept no responsibility for any use of the report in violation of the terms of this Agreement.

24. We are not required to testify or provide court-related consultation or to be in attendance in court unless we have agreed to do so in writing.

STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS

25. Neither the whole report, nor any part, nor reference thereto, may be published in any manner without our prior written approval.

26. We may rely on, and will not verify, the accuracy and sufficiency of documents, information and assumptions provided to it by the Client or others. We will not verify documents, information and assumptions derived from industry sources or that JLL or its affiliates have prepared in the regular course of business. We are not liable for any deficiency in the report arising from the inaccuracy or insufficiency of such information, documents and assumptions. However, our report will be based on our professional evaluation of all such available sources of information.

27. JLL IS NOT LIABLE TO ANY PERSON OR ENTITY FOR LOSS OF PROFITS, CONSEQUENTIAL, PUNITIVE, EXEMPLARY OR SIMILAR DAMAGES IN CONNECTION WITH THIS AGREEMENT. IN NO EVENT SHALL THE LIABILITY OF JLL AND ITS AFFILIATES IN CONNECTION WITH THIS AGREEMENT EXCEED THE FEE PAID TO JLL HEREUNDER.

28. Unless expressly advised to the contrary, we assume that appropriate insurance coverage is and will continue to be available on commercially acceptable terms.

29. We assume that no material changes in any applicable federal, state or local laws, regulations or codes (including, without limitation, the Internal Revenue Code) are anticipated.

30. We may determine during the course of the assignment that additional Hypothetical Conditions and Extraordinary Assumptions may be required in order to complete the assignment. The report will be subject to those Hypothetical Conditions and Extraordinary Assumptions. Each person that is permitted to use the report agrees to be bound by all the Assumptions and Limiting Conditions and any Hypothetical Conditions and Extraordinary Assumptions stated in the report.

DATA REQUEST

NA - Received

EXHIBIT 12

Evidence of Financing Interest

March 20, 2020

Keith Greengrove
CWG Capital, LLC
327 W. Maple Ave
Monrovia, CA 91016

PROPOSED TERM SHEET

The following are compiled for the purpose of providing a proposed borrower with a basis by where Central Bank of Kansas City ("CBKC") proposes a loan for the following outlined purpose. This is not a commitment of CBKC to lend funds, but rather an overview of terms that would be presented to CBKC's loan committee for credit approval.

Borrower:	[TBD Leverage Lender, LLC] ("Leverage Lender")
Purpose:	To provide a Source Loan to fund a Leverage Lender loan ("Leverage Loan") to an Investment Fund which, in conjunction with a New Markets Tax Credits ("NMTC") transaction, will be used to finance the construction of a grocery store located at Bannister Road and Hillcrest Road in Kansas City, MO ("Property"). The Leverage Loan, along with the NMTC purchase, shall provide the funds from which Investment Fund shall make an investment into a Sub CDE which will in turn makes loans ("QLICI Loans") to the Qualified Active Low-Income Community Business ("QALICB").
Loan Amount:	The Source Loan shall be in the amount not to exceed $6,959,303 limited to 80% of the appraised value of the Property.
Interest Rate:	5.00% fixed
Term of Loan:	This loan shall mature seven (7) years after the closing date.
Origination Fee:	Borrower shall pay an Origination Fee of 1.00% of Loan Amount.
Terms for Repayment:	Borrower shall make monthly payments of principal and interest sufficient to amortize the Source Loan over a period of 20 years. All remaining principal shall be due at maturity.
Proposed Collateral:	Leverage Lender shall provide an assignment of its Leverage Loan documents and all rights thereto, including its assignment of the membership interest in the Sub CDE. QLICI Loans shall be secured with a first deed of trust and assignment of rents on the Property and a first security interest in all other assets.

Guarantor: Keith Greengrove and Claudio Chavez

Disbursement: The Source Loan shall be disbursed in its entirety at closing.

Covenants & Conditions: Loan Covenants to be included in the QLICI Loans' documentation will govern, including, but not limited to, the following:

1. Debt Service Coverage Ratio – TBD;
2. QALICB shall not create, incur or assume any additional indebtedness nor permit any lien, pledge or assignment of any assets including real estate with prior written consent of CBKC;
3. Other covenants typical to a NMTC transaction

Conditions include, but not limited to, the following:

1. QALICB and tenant must enter into a lease acceptable to CBKC in all regards
2. QALICB shall close a NMTC transaction resulting in not less than $10.8 million
3. Other conditions typical to a NMTC transaction and construction loan

Proposed Documentation:

1. Promissory Note
2. Loan Agreement
3. Security Agreement
4. Required borrowing and signing resolutions
5. Unlimited Guaranties
6. Subordination Agreement
7. Other documentation as CBKC may require

Other Requirements: Borrower will be responsible for all fees and expenses that CBKC may incur in connection with the processing, closing, and maintenance of a loan, which would include without limitation of the attorney's fees, recording fees, appraisal fees, environmental report fees, title insurance fees, and hazard insurance premiums.

Borrower and guarantors will supply CBKC with all necessary financial disclosures as CBKC will deem necessary for the proposed approval, and subsequent review of this proposed loan.

THIS IS NOT A COMMITMENT TO LEND FUNDS

EXHIBIT 13

Relocation Assistance

Policy Name:	**Relocation Assistance Policy**
Date Approved:	**May 26, 1988**
Resolution Number:	**88-09**
Policy Statement:	Every person approved by the Commission as a developer of property subject to be acquired by the Tax Increment Financing Commission if furtherance of a Tax Increment Financing plan shall submit to the Commission a relocation plan as part of the developer's redevelopment plan.

(a) The following terms, whenever used or referred to herein, shall have the following meanings:

(i) Designated Occupants. "Designated Occupants" shall mean handicapped displaced occupants and those displaced occupants who are 65 years of age or older at the time of the notice to vacate or who have an income less than the average median income for the metropolitan area as certified annually by the Director of City Development based upon standards established by the Department of Housing and Community Development of Kansas City, Missouri.

(ii) Displaced Business. "Displaced Business" shall mean any business that moves from real property within the development area as a result of the acquisition of such property, or as a result of written notice to vacate such property, or in conjunction with the demolition, alteration or repair of said property, by the Tax Increment Financing Commission pursuant to RSMo. 99.800 et. seq., as amended.

(iii) Displaced Occupant. "Displaced Occupant" shall mean any occupant who moves from real property within the development area as a result of the acquisition of such property, or as a result of written notice to vacate such property, or in connection with the demolition, alteration or repair of said property, by the Tax Increment Financing Commission pursuant to RSM0. 99.800 et. seq., as amended.

(iv) Handicapped Occupant. "Handicapped Occupant" shall mean any occupant who is deaf, legally blind, or orthopedically disabled to the extent that acquisition of other residence presents a greater burden than other occupants would encounter or that modification to the residence would be necessary.

(v) Occupant. "Occupant" shall mean a residential occupant of a building having lawful possession thereof, and further shall include any person in lawful possession, whether related by blood or marriage to any other occupant.

(vi) Person. "Person" shall mean any individual, firm, partnership, joint venture, association, corporation and any life insurance company, organized under the laws of, or admitted to do business in the State of Missouri, undertaking a redevelopment project in a urban renewal area, whether organized for profit or not, estate, trust, business trust, receiver or trustee appointed by any state or federal court, syndicate, or any other group or combination acting as a unit, and shall include the male as well as the female gender and the plural as well as the singular number.

(b) Plan Requirement. Every person approved by the Commission as a developer of property subject to be acquired by the Tax Increment Financing Commission if furtherance of a Tax Increment Financing plan shall submit to the Commission a relocation plan as part of the developer's redevelopment plan.

(c) Contents of Plan. The relocation plan shall provide for the following:

(i) Payments to all displaced occupants and displaced businesses in occupancy at least ninety (90) days prior to the date said displaced occupant or said displaced business is required to vacate the premises by the developer, its assigns or any person seeking acquisition powers under the Tax Increment Financing plan pursuant to RSMo. 99.800 et. seq., as amended; and

(ii) Program for identifying needs of displaced occupants and displaced businesses with special consideration given to income, age, size of family, nature of business, availability of suitable replacement facilities, and vacancy rates of affordable facilities; and

(iii) Program for referrals of displaced occupants and displaced businesses with provisions for a minimum of three (3) suitable referral sites, a minimum of ninety (90) days notice of referral sites for handicapped displaced occupants and sixty (60) days notice of referral sites for all other displaced occupants and displaced businesses, prior to the date such displaced occupant or displaced business is required to vacate the premises; and arrangements for transportation to inspect referral sites to be provided to designated occupants.

(iv) Every displaced occupant and every displaced business shall be given a ninety (90) day notice to vacate; provided, however, that the developer may elect to reduce the notice time to sixty (60) days if the developer extends the relocation payments and benefits set forth in subsections (d), (e) and (f) below to any displaced occupant or displaced business affected by said reduction in time.

(d) Payments to Occupants. All displaced occupants eligible for payments under subsection (c)(i) hereof shall be provided with relocation payments based upon one of the following, at the option of the occupant:

(i) A $500.00 payment to be paid at least thirty (30) days prior to the date the occupant is required to vacate the premises; or

(ii) Actual reasonable costs of relocation including actual moving costs, utility deposits, key deposits, storage or personal property up to one month, utility transfer and connection fees, and other initial rehousing deposits including first and last month's rent and security deposit.

(e) Handicapped Displaced Occupant Allowance. In addition to the payments provided in subsection (d) hereof, an additional relocation payment shall be provided to handicapped displaced occupants which shall equal the amount, if any, necessary to adapt a replacement dwelling to substantially conform with the accessibility and usability of such occupant's prior residence, such amount not to exceed Four Hundred Dollars ($400.00).

(f) Payment to Businesses. All displaced businesses eligible for payments under subsection (c)(i) hereof shall be provided with relocation payments based upon the following, at the option of the business:

(i) A $1,500.00 payment to be paid at least thirty (30) days prior to the date the business is required to vacate the premises; or

(ii) Actual costs of moving including costs for packing, crating, disconnecting, dismantling, reassembling and installing all personal equipment and costs for relettering signs and replacement stationery.

(g) Waiver of Payments. Any occupant who is also the owner of premises and any business may waive their relocation payments set out above as part of the negotiations for acquisition of the interest held by said occupant or business. Said waiver shall be in writing and filed with the Commission.

(h) Notice of Relocation Benefits. All occupants and businesses eligible for relocation benefits hereunder shall be notified in writing of the availability of such relocation payments and assistance, such notice to be given concurrent with the notice of referral sites required by subsection (c)(iii) hereof.

(i) Persons Bound by the Plan. Any developer, its assigns or transferees, provided assistance in land acquisition by the Tax Increment Financing Commission, is required to comply with the Executive Director of the Commission. Such certification shall include, among other things, the addresses of all occupied residential buildings and structures within the redevelopment plan area and the names and addresses of occupants and businesses displaced by the developer and specific relocation benefits provided to each occupant and business, as well as a sample notice provided each occupant and business.

(j) Minimum Requirements. The requirements set out herein shall be considered minimum standards. In reviewing any proposed redevelopment plan, the Commission shall determine the adequacy of the proposal and may require additional elements to be provided therein.

<u>EXHIBIT 14</u>

Redeveloper Affidavit's

STATE OF _________)
) ss
COUNTY OF ______)

I, _____________, Manager of 5615 E. Bannister Road, LLC, a Missouri limited liability company and Tax Credit Benevolent Association, a Delaware not-for–profit corporation (collectively, the "Redeveloper"), having been first duly sworn, state and depose upon oath as follows:

1. The information contained in the application filed by 5615 E. Bannister Road, LLC to the Tax Increment Financing Commission of Kansas City, Missouri on _____________, as modified by subsequent information furnished to the Commission, is true and the financial information regarding the Redeveloper presented therein represents true and accurate assessments to the best of my knowledge, information and belief, and the assumptions therein stated are reasonable.

2. The Redevelopment Area, upon which the Redeveloper intends to construct an approximately 48,500 square-foot full service grocery store, including a pharmacy, development of a fast food pad site, and other necessary site improvements, including the construction of a new surface parking lot that will include new lighting, signage and repair of any concrete or asphalt (the "Plan Improvements"), is legally described on <u>Exhibit 1A</u> of the Pioneer Plaza Tax Increment Financing Plan (the "TIF Plan").

3. The Redevelopment Area has not been subject to growth and development through investment by private enterprise and, in my opinion, redevelopment of the Plan Improvements, in accordance with the TIF Plan, is not economically feasible and cannot be done without the adoption of tax increment financing and additional public incentives described by the TIF Plan.

4. Based on the above factors, the Blight Study, attached to the TIF Plan as <u>Exhibit 11</u>, and Evidence of "But For", attached to the TIF Plan as <u>Exhibit 10</u>, it is my opinion that the

Redevelopment Area, on the whole, qualifies as a Blighted Area, has not been subject to growth and development through investment by private enterprise, the cost of curing the existing conditions is not economically viable if fully borne by private developers, and will not be reasonably anticipated to be developed without the adoption of tax increment financing and additional public incentives described by the TIF Plan.

5. Redeveloper will not proceed with the improvements described by the TIF Plan without the assistance of tax increment financing and the additional public incentives described by the TIF Plan.

FURTHER AFFIANT SAYETH NAUGHT.

5615 E. BANNISTER ROAD, LLC

By: ____

________, Manager

Subscribed and sworn to before me, a Notary Public, this ____ day of August, 2020.

My Commission Expires:

____

Notary Public

____

Printed Name

TAX CREDIT BENEVOLENT ASSOCIATION

By: ______________________________________

________, ____________________

Subscribed and sworn to before me, a Notary Public, this ____ day of August, 2020.

My Commission Expires:

____
Notary Public

____
Printed Name