SECOND AMENDMENT
TO THE

1200 MAIN/SOUTH LOOP

TAX INCREMENT FINANCING PLAN

KANSAS CITY, MISSOURI

OCTOBER 13, 2004

TIF Commission Approval:
October 13, 2004 — 10-32-04
Date — **Resolution No.**

City Council Approval:
November 9, 2004 — 041244
Date — **Ordinance No.**

Attached herewith is a true and correct copy of the Second Amendment to the 1200 Main/South Loop TIF Plan that was approved by the Tax Increment Financing Commission of Kansas City, Missouri, by Resolution No. 10-32-04, at a public hearing that was duly noticed and held on 10-13-04.

Chairman

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ADDENDUM

SECOND AMENDMENT
TO THE
1200 MAIN/SOUTH LOOP
TAX INCREMENT FINANCING PLAN

I. Introduction

This Second Amendment to the 1200 Main/South Loop Tax Increment Financing Plan (the "Second Amendment") is intended to amend the 1200 Main/South Loop Tax Increment Financing Plan as approved by Ordinance No. 040154 (referred to herein as the "Plan") and subsequently amended by Ordinance No. 040738. The Second Amendment alters the Plan in the following: (i) expand the redevelopment area as established in the Plan to include additional area generally bound by Grand Boulevard on the west; Truman Road on the south; Oak Trafficway on the east and 12th Street on the north, in Kansas City, Jackson County, Missouri, (ii) expand the redevelopment area to include the area generally bound by Baltimore on the east; 14th Street on the north, Central Street on the west and Truman Road on the south; (iii) expand the redevelopment area to include the area generally bound by Main Street on the east; east-west alley between 12th Street and 13th Street on the north, Baltimore Avenue on west and 13th Street on the south; (iv) add Project 8 – Construction of an arena, public parking, retail space and any necessary public infrastructure; (v) add Project 9 – Renovation of a theater and office building; (vi) add Project 10 and 11 for future redevelopment projects; (vii) include financial, construction and employment information any additional projects. To the extent the Plan varies with the Second Amendment, said Plan shall be amended and superseded thereby. Except for those specific amendments set forth herein, the Plan remains unchanged and shall remain in full force and effect.

II. Plan Text Amendments

In accordance with this Second Amendment the Plan shall be amended as follows:

Amendment No. 1 Exhibit No. 1 A of the Plan, entitled "Legal Description Redevelopment Area", shall be supplemented with the addendum attachment hereto behind Tab 1 A.

Amendment No. 2 Exhibit No. 1 B of the Plan, entitled "Legal Description Redevelopment Projects" shall be supplemented with the addendum attachment hereto behind Tab 1 B.

Amendment No. 3 Exhibit No. 2 A of the Plan, entitled "Site Plan Redevelopment Area" shall be deleted and revised with attachment behind Tab 2 A.

Amendment No. 4 Exhibit No. 2 B of the Plan, entitled "Site Plan Redevelopment Projects" shall be supplemented with the addendum attached hereto behind Tab 2 B.

Amendment No. 5 Exhibit No. 3 of the Plan, entitled "Specific Objectives of the Redevelopment Plan" shall be deleted and revised with the attachment behind Tab 3.

Amendment No. 6 Exhibit 4 A of the Plan, entitled "Construction Totals by Project Area", shall be supplemented with the addendum attached hereto behind Tab 4.

Amendment No. 7 Exhibit No. 4 B of the Plan, entitled "Employment Totals by Project Area" shall be supplemented with addendum attached hereto behind Tab 4 B.

Amendment No. 8 Exhibit No. 5 of the Plan, entitled "Estimated Redevelopment Costs and Schedule" shall be supplemented with addendum attached hereto behind Tab 5.

Amendment No. 9 Exhibit No. 6 of the Plan, entitled "Estimated Annual Increase in Assessed Value and Resulting Payments in Lieu of Taxes and Economic Activity Taxes," shall be supplemented with the addendum attached hereto behind Tab 6.

Amendment No. 10 Exhibit No. 7 of the Plan, entitled "Sources and Uses of Funds," shall be supplemented with the addendum attached hereto behind Tab 7.

Amendment No. 11 Exhibit No. 8 of the Plan, entitled " Cost Benefit Analysis", shall be supplemented with the addendum attached hereto behind Tab 8.

Amendment No. 12 Exhibit No. 9 of the Plan, entitled "Evidence of "But For", shall be supplemented with the addendum attached hereto behind Tab 9.

Amendment No. 13 Exhibit No. 10 of the Plan, entitled "Existing Conditions Study (Blight Study)", shall be supplemented with the addendum attached hereto behind Tab 10.

Amendment No. 14 Exhibit No. 12 of the Plan, entitled "Acquisition", shall be supplemented with the addendum attached hereto behind Tab 12.

Amendment No. 15 Exhibit No. 13 of the Plan, entitled "Relocation Assistance" shall be supplemented with the addendum attached hereto behind Tab 13.

Amendment No. 16 Exhibit No. 14 of the Plan, entitled "Redeveloper Affidavit" shall be supplemented with the addendum attached hereto behind Tab 14.

Amendment No. 17 Subsection III A. of the Plan, "The Redevelopment Plan," shall be deleted and replaced to state the following:

> The 1200 Main/South Loop Tax Increment Financing Redevelopment Plan (the "Redevelopment Plan") proposes to acquire, develop, construct, rehabilitate and improve office space, theater, parking garages, public improvements, **a 18,000 to 20,000 seat multipurpose arena**, streetscape, park development, residential development, retail development, as well as all necessary public infrastructure, appurtenances and utilities.

Amendment No. 18 Subsection III B. of the Plan, "Redevelopment Area," shall be deleted and replaced to state the following:

> Redevelopment Area. The Redevelopment Plan Area is an area generally within the boundaries of an area beginning with **Oak Street on the east from Truman Road to northern property line of Lot A, Block 71 of McGee's Addition until it intersects with the north-south vacated alley between Oak Street and McGee Street; then north along the vacated north-south alley between Oak and McGee; then the Redevelopment Area turns west along the north property line of Lots 139, Block 10 of McGee's Addition until it intersects with McGee Street; then the Redevelopment Area runs north along McGee Street until it intersects the north property line of Lot 16 of Block 2 of McGee's Addition; then the Redevelopment Area runs west along the north property line of Lot 16 of Block 2 of McGee's Addition until it intersects the center line of north- south alley between McGee and Grand; then the Redevelopment Area runs north along the center line of the north-south alley between McGee and Grand until it intersects the north property line of Lot 21 of Block 2 of McGee's Addition until Grand Avenue; then the Redevelopment Area runs west until it intersects the center line of Grand Avenue;** then south on Grand to13th Street; then the Redevelopment Area runs west on 13th Street until Walnut Street; then the Redevelopment Area runs north to Petticoat Lane; then the Redevelopment Area runs west to Main Street; then the Redevelopment Area runs north to the northern boundary of Lot 1, E & A Subdivision; then the Redevelopment Area runs west long the northern boundary of Lot 1, E &A Subdivision (located within the block bound by 10th/11th/Main and Baltimore) and the east-west alley lying north of Lot 1, E & A Subdivision to Baltimore Avenue; then the Redevelopment Area runs south to the southern boundary of Lot 1, E & A Subdivision; then the Redevelopment Area runs east along the southern boundary of Lot 1, E & A Subdivision and the southern boundary of Lot 2, E & A Subdivision to Main Street; then the Redevelopment Area runs south on Main Street until 12th Street; then the Redevelopment Area turns west along 12th to Baltimore Avenue; **then the Redevelopment Area runs south on Baltimore Street until 14th Street; then the Redevelopment Area runs west on 14th Street until Central; then the Redevelopment Area runs south on Central until Truman Road; and then the Redevelopment Area runs east along Truman Road, the southern boundary of the Redevelopment Area to Oak Street** in Kansas City, Jackson County, Missouri. (the "City") as legally described in Exhibit 1A (the "Redevelopment Area").
>
> **The Redevelopment Area excludes the west 43 feet of south 24 feet of Lot 25, Block 2, McGee's Addition.**

Amendment No. 19 Subsection III C. of the Plan, "Project Improvements" shall be deleted and replaced to state the following:

> Project Improvements. The Project Improvements will consist of the (i) acquisition of land (ii) acquisition and demolition of the vacant Jones Store building (iii) construction of parking garages, (iv) construction of retail/entertainment uses of approximately 325,000 to 450,000 square feet, (v) construction of two office buildings containing approximately 450,000 to 650,000

square and 250,000 to 300,000 square feet, (vi) renovation of the Hotel President (vii) construction of mixed development which will include residential, retail, office, and open space uses, (viii) construction of improvements in One Kansas City Place office building (ix) construction of improvements in and parking for Town Pavilion; (x) **construction of 18,000 to 20,000 seat multipurpose arena and up to 500 close-in parking spaces; (xi) construction of improvements in theaters (xii) construction or renovation of office building (xiii) construction of public facilities.**

Amendment No. 20 The first sentence of Subsection III D of the Plan, "Redevelopment Projects" shall be revised as the following and the section shall be supplemented with the following sentence:

> Redevelopment Projects. The Project Improvements and other redevelopment activities will be undertaken as a series of **at least 11** redevelopment projects (the "Redevelopment Projects"), each of which will be approved by ordinance in conformance with the Act.
>
> Estimated construction and employment information for Redevelopment Projects **8** are set forth in Exhibit 4 A.

Amendment No. 21 Section IV A of the Plan, "Estimated Redevelopment Project Costs," shall be supplemented with the following:

> **Estimated redevelopment project costs for Project 8 contemplated under the Plan are projected to be approximately $255,085,574 over the life of the Plan. The Plan proposes that approximately $5,085,574 in redevelopment project costs be reimbursable from the Special Allocation Plan. The reimbursable project costs include those shown as set forth in Exhibit No 5 A. Plan will be amended for the inclusion of Project 9,10, and 11 Estimated Redevelopment Project Costs at a future time.**

Amendment No. 22 The first paragraph of Subsection IV. C. of the Plan, "Payment in Lieu of Taxes" shall be revised as follows:

> The total Payments in Lieu of Taxes generated by **Project 1-7** over the duration of the Plan is estimated to be approximately **$101,017. The total Payment in Lieu of Taxes generated by Project 8 over the duration of the Plan is estimated to be approximately $0 because the City of Kansas Cit, MO will own the land and improvements. Plan will be amended for the inclusion of Project 9,10, and 11 estimated Payment in Lieu of Taxes at the same time the plan is amended for the inclusion of project budgets.**

Amendment No. 23 The first paragraph of Subsection IV. D. of the Plan, "Economic Activity Taxes" shall be revised as follows and then a new paragraph shall be added as follows:

Over the life of the Plan, the total Economic Activity Tax revenues estimated to be generated **by Project 1-7** are approximately $335,063,360. Of the total additional revenue from taxes imposed by the municipality or other taxing districts and which are generated by economic activities within the Redevelopment Project Areas, as defined in Section 99.845.3, fifty percent (50%), or approximately $167,531,680 over the life of the Plan, will be made available upon annual appropriation, to pay eligible Redevelopment Project Costs **associated with Project 1-7**. Those Economic Activity Taxes available to pay project costs are shown in Exhibit 6 of the Original Plan.

Over the life of the Plan, the total Economic Activity Tax revenues estimated to be generated by Project 8 are approximately $23,640,842. Of the total additional revenue from taxes imposed by the municipality or other taxing districts and which are generated by economic activities within the Redevelopment Project Areas, as defined in Section 99.845.3, fifty percent (50%), or approximately $11,820,421 over the life of the Plan, will be made available upon annual appropriation, to pay the eligible Redevelopment Project costs associated with Project 8. The Economic Activity Taxes available to pay project costs are shown in Exhibit 6 for Project 8. Plan will be amended for the inclusion of Project 9,10, and 11 estimated Economic Activity Taxes at the same time the plan is amended for the inclusion of project budgets.

Amendment No. 24 Subsection V. of the Plan, "Most Recent Equalized Assessed Valuation" shall be revised as follows and supplemented with a new paragraphs:

The total initial equalized assessed valuation of **Project 1-7** according to current records of the Kansas City Assessor's Office is approximately $9,574,885 on land and $24,198,474 on improvements. The current combined ad valorem property tax levy is projected to be $9.97 (including 1989 M & M replacement taxes and Blind Pension Fund) per $100 assessed valuation on land and $9.22 (including 1989 M & M replacement taxes and Blind Pension Fund) per $100 assessed valuation on improvements. The 2003 annual ad valorem tax revenue from **Project 1-7** is approximately $3,185,775.

The total initial equalized assessed valuation of Project 8 according to current records of the Kansas City Assessor's Office is approximately $655,592 on land and $128,239 on improvements. The current combined ad valorem property tax levy is projected to be $9.97 (including 1989 M & M replacement taxes and Blind Pension Fund) per $100 assessed valuation on land and $9.22 (including 1989 M & M replacement taxes and Blind Pension Fund) per $100 assessed valuation on improvements. The 2003 annual ad valorem tax revenue from the Redevelopment Area is approximately $7,718.

The total initial equalized assessed valuation of Project 9 according to current records of the Kansas City Assessor's Office is approximately $439,245 on land and $240,435 on improvements. The current combined ad valorem property tax levy is projected to be $9.97(including 1989 M&M replacement taxes and Blind Pension Fund) per $100 assessed valuation on land and $9.22(including 1989 M&M replacement taxes and Blind Pension Fund) per $100 assessed valuation on improvements. The 2003 annual ad valorem tax revenue from the Redevelopment Area is approximately $69,340.49.

The total initial equalized assessed valuation of Project 10 according to current records of the Kansas City Assessor's Office is approximately $ on land and $ on improvements. The current combined ad valorem property tax levy is projected to be $9.97(including 1989 M&M replacement taxes and Blind Pension Fund) per $100 assessed valuation on land and $9.22(including 1989 M&M replacement taxes and Blind Pension Fund) per $100 assessed valuation on improvements. The 2003 annual ad valorem tax revenue from the Redevelopment Area is approximately $20,571.24.

The total initial equalized assessed valuation of Project 11 according to current records of the Kansas City Assessor's Office is approximately $238,473 on land and $28,18,339 on improvements. The current combined ad valorem property tax is not levied because the City of Kansas City, MO owns the property.

Amendment No. 25 Subsection X. of the Plan, "But For TIF" shall be supplemented as follows:

The "But For" analysis for Project 8 will be a supplement to this amendment. The Plan will be amended for the inclusion of Project 9,10, and 11 "But For" Analysis at the same time the plan is amended for the inclusion of project budgets.

Amendment No. 26 Subsection XII. of the Plan, "Acquisition and Disposition" shall be supplemented as follows:

The property acquired for Project 8 will be by the City of Kansas City, Missouri. A map of the property to be considered for acquisition for Project 8 is a supplement to Exhibit 12. The Plan will be amended should property acquisition be necessary for project 9 and 10.

Amendment No. 27 Subsection XIII. of the Plan, "Relocation Assistance Plan" shall be supplemented as follows:

Should relocation be necessary for implementation of Project 8 relocation assistance shall be provided by the City of Kansas City, Missouri pursuant to the

City Ordinances, state or federal laws and may not be in accordance to the Relocation Assistance Plan as shown in Exhibit 13. Any relocation assistance provide for Project 8 will be at the expense of the Redeveloper or the City of Kansas City, Missouri.

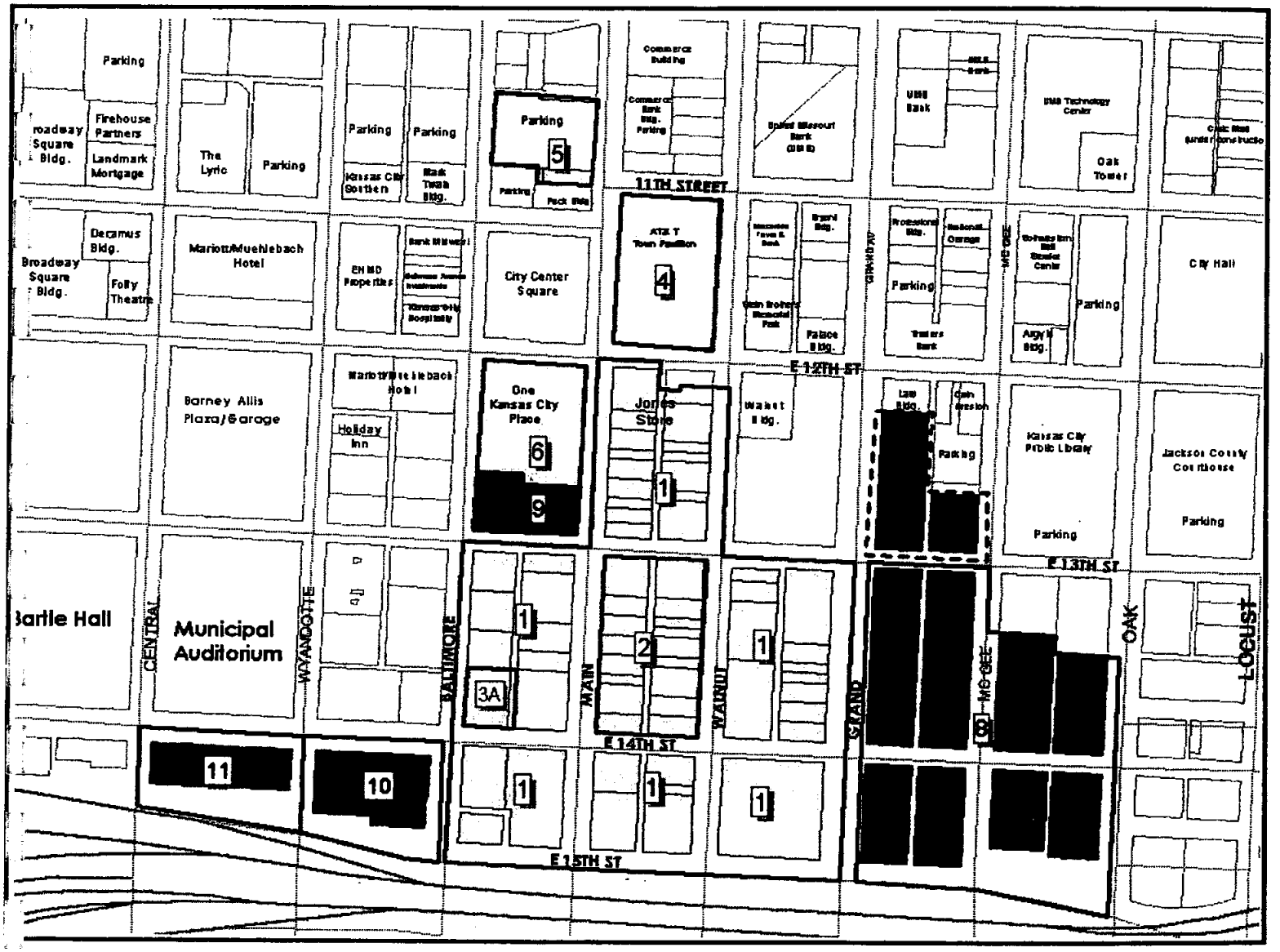
EXHIBIT 1 A

REDEVELOPMENT AREA

Beginning at the point of intersection of the westerly prolongation of the northern boundary of Lot 1, E & A Subdivision with the center line of the right-of-way of Baltimore Avenue; thence south along the center line of the right-of-way of Baltimore Avenue to its intersection with the westerly prolongation of the southern boundary of Lot 1, E & A Subdivision; thence east along the southern boundary of Lot 1, E & A Subdivision to its intersection with the center line of the public alley lying west of Lot 2, E & A Subdivision; thence south along the center line of the public alley lying west of Lot 2, E & A Subdivision to its intersection with the westerly prolongation of the southern boundary of Lot 2, E & A Subdivision; thence east along the southern boundary of Lot 2, E & A Subdivision, to the point of intersection of the easterly prolongation of the southern boundary of Lot 2, E & A Subdivision with the center line of the right-of-way of Main Street; thence south along the center line of the right-of-way of Main Street to its intersection with the center line of the right-of-way of 12th Street; thence west along the center line of the right-of-way of 12th Street to its intersection with the center line of the right-of-way of Baltimore Avenue; thence south along the center line of the right-of-way of Baltimore Avenue to its intersection with the center line of the right-of-way of **14th Street; thence west along the center line of the right-of-way 14th Street to its intersection with the center line of Central Street; thence south along the center line of Central Street to its intersection with the center line of** U.S. Interstate Highway Route No. 35 (Truman Road); thence east along the center line of the right-of-way of Interstate Highway Route No.35 (Truman Road) to its intersection with the center line of the right-of-way of **Oak** Street; thence north along the center line of the right-of-way of **Oak** Street to its intersection with the **easterly prolongation of a line 198 feet south of the north line of Lot 103, Block 71, McGee's Addition and parallel with the south line of the right-of-way of 13th Street; thence west along said line to a point 125 feet west of the east line of the right-of-way of Oak Street; thence north parallel with the west line of the right-of-way of McGee's Street 49.5 feet; thence west parallel with the south line of the right-of-way of 13th Street to the center line of McGee Street; thence north along the center line of the right-of-way of McGee Street until it intersection with the easterly prolongation of a line 148. 5 feet north of the south line of Lot 18, Block 2, McGee's Addition and parallel with the north line of right-of-way of 13th Street then west along said line to its intersection with the center line of the right-of-way of the north-south alley between McGee Street and Grand Avenue; thence north along the center line of the right-of-way of the north-south alley between McGee Street and Grand Avenue to its intersection with the easterly prolongation of a line 86.99 feet south of the north line of Lot 19, Block 2, McGee's Addition and parallel with the south line of the right-of-way of 12th Street; thence west along said line to its intersect with the center right-of-way of Grand Street; thence south along the center line of the right-of-way of Grand Avenue to its intersection with** the center line of the right of way with 13th Street; thence west along the center line of the right-of-way of 13th Street to its intersection with the center line of the right-of-way of Walnut Street; thence north along the center line of the right-of-way of Walnut Street to its intersection with the easterly prolongation of a line 11.75 feet south of the north line of

Lot 47, Block 4, McGee's Addition and parallel with the south line of the right-of-way of 12th Street; thence west along said line to a point 77 feet west of the west line of the right-of-way of Walnut Street; thence south parallel with the west line of the right-of-way of Walnut Street 8.25 feet; thence west parallel with the south line of the right-of-way of 12th Street to the center line of a public alley lying east of and adjacent to Lots 55 through 63, inclusive, Block 4, McGee's Addition and lying west of and adjacent to Lots 46 through 54, inclusive, Block 4, McGee's Addition; thence north along the center line of said public alley to its intersection with the center line of the right-of-way of 12th Street; thence east along the center line of the right-of-way of 12th Street to its intersection with the center line of the right-of-way of Walnut Street; thence north along the center line of the right-of-way of Walnut Street to its intersection with the center line of the right-of-way of Petticoat Lane, also know as 11th Street; thence west along the center line of the right-of-way of Petticoat Lane (11th Street) to its intersection with the center line of the right-of-way of Main Street; thence north along the center line of the right-of-way of Main Street to the easterly prolongation of the northern boundary of Lot 1, E & A Subdivision; thence west along the northern boundary of Lot 1, E & A Subdivision to its point of intersection with the center line of the north-south public alley lying east of Lot 4, Block 10, Ashburn's Addition; thence north along the center line of the north-south public alley lying east of Lot 4, Block 10, Ashburn's Addition to its intersection with the center line of the east-west public alley lying north of Lot 1, E & A Subdivision; thence west along the center line of the east-west public alley lying north of Lot 1, E & A Subdivision to its intersection with the center line of the right-of-way of Baltimore Avenue to the point of beginning. Area is being defined using the centerline of the right-of-way of streets, alleys, and lanes as now established.

The Redevelop Area excludes west 43 feet of south 24 feet of Lot 25, Block 2, McGee's Addition.


Parking
Firehouse Partners
Landmark Mortgage
The Lyric
Parking
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Parking
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5
Commerce Building
Commerce Bank Bldg. Parking
United Missouri Bank (UMB)
UMB Bank
UMB Technology Center
Oak Tower
11TH STREET
Decamus Bldg.
Broadway Square Bldg.
Folly Theatre
Marriott/Muehlebach Hotel
EH MD Properties
City Center Square
AT&T Town Pavilion
4
Brand Bldg.
Palace Bldg.
Parking
Trustees Bank
Parking
City Hall
E 12TH ST
Barney Allis Plaza/Garage
Holiday Inn
One Kansas City Place
6
9
Jones Store
1
Walnut Bldg.
Parking
Kansas City Public Library
Parking
Jackson County Courthouse
Parking
E 13TH ST
Bartle Hall
Municipal Auditorium
CENTRAL
WYANDOTTE
BALTIMORE
MAIN
WALNUT
GRAND
McGEE
OAK
LOCUST
1
2
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3A
8
E 14TH ST
11
10
1
1
1
E 15TH ST

EXHIBIT 1 B

LEGAL DESCRIPTION
PROJECT 1

Entertainment District:

Block 110: Beginning at the point of intersection of the westerly prolongation of the northern boundary of Lot 55, Block 4, McGee's Addition with the center line of the right-of-way of Main Street, as said street is now established; thence south along the center line of the right-of-way of Main Street to its intersection with the westerly prolongation of the northern boundary of the southern half of Lot 59, Block 4, McGee's Addition; thence east along said line to its point of intersection with the center line of the public alley lying east of and adjacent to Lots 55 through 63, inclusive, Block 4, McGee's Addition and west of and adjacent to Lots 46 through 54, inclusive, Block 4, McGee's Addition; thence south along the center line of said alley to the point of intersection of the southerly prolongation of the center line of said alley with the center line of the right-of-way of 13th Street, as said street is now established; thence east along the center line of the right-of-way of 13th Street to its intersection with the center line of Walnut Street; thence north along the center line of Walnut Street to its intersection with the easterly prolongation of a line 11.75 feet south of the north line of Lot 47, Block 4, McGee's Addition and parallel with the south line of 12th Street, as said street is now established; thence west parallel with the south line of 12th Street to a point 77 feet west of the west line of Walnut Street; thence south parallel with the west line of Walnut Street 8.25 feet; thence west parallel with the south line of 12th Street to the center line of a public alley lying east of and adjacent to Lots 55 through 63, inclusive, Block 4, McGee's Addition; thence north along the center line of said alley to its intersection with the westerly prolongation of the northern boundary of Lot 46, Block 4, McGee's Addition; thence west along the northern boundary of Lot 55, Block 4, McGee's Addition to the point of beginning; which includes, among other property:

All of Lots 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, and the northern half of Lot 59, all in Block 4, McGee's Addition, a subdivision in Kansas City, Jackson County, Missouri, according to the recorded plat thereof; and

All that part of Lot 47, Block 4, McGee's Addition to Kansas City, Jackson County, Missouri described as follows:

Beginning at the Southeast corner of Lot Forty-Seven (47), Block Four (4), of McGee's Addition to the City of Kansas, as per recorded plat, thence running North along the East line of said Lot, on a line parallel with the West line of Walnut Street thirty-seven (37) feet, nine (9) inches, thence West on a line parallel with the South line of Twelfth Street seventy-seven (77) feet; thence South on a line parallel with the West line of Walnut Street eight (8) feet three (3) inches; thence West on a line parallel with the South line of

Twelfth Street thirty-eight (38) feet and six (6) inches to the West line of said Lot Number Forty-seven (47), thence South on East line of alley running North and South through said Block Four (4) twenty-nine (29) feet, six (6) inches to the Southwest corner of said Lot Forty-Seven (47), thence East and parallel with the South line of Twelfth Street one hundred fifteen (115) feet and six (6) inches to the Point of Beginning.

1219 Main: Beginning at the point of intersection of the center line of the right-of-way of Thirteenth Street with the center line of the right-of-way of Main Street; thence north along the center line of the right-of-way of Main Street to its intersection with the westerly prolongation of the north boundary of the south 24.75 feet of Lot 59, Block 4, McGee's Addition; thence east along the northern boundary of the south 24.75 feet of Lot 59, Block 4, McGee's Addition, to the center line of the alley lying east of and adjoining the south 24.75 feet of Lot 59 and all of Lots 60 to 63, inclusive, Block 4, McGee's Addition; thence south along the center line of said alley to the point of intersection of the southerly prolongation of the center line of said alley with the center line of the right-of-way of Thirteenth Street; thence west along the center line of the right-of-way of Thirteenth Street to the point of beginning, which contains the following:

The south one-half of Lot 59, all of Lots 60 to 63, inclusive, Block 4, McGee's Addition, a subdivision in Kansas City, Missouri.

Block 124:

All of Lots 1 through 4, inclusive, Block 8, REID'S ADDITION, a subdivision in Kansas City, Jackson County, Missouri, according to the recorded plat thereof, being more particularly described as follows:

Beginning at the Northwest corner of said Lot 1, being also a point of intersection of the South right-of-way line of 13th Street with the East right-of-way line of Baltimore Avenue, as said street and avenue are now both established; thence East along said South right-of-way line and along the North line of said Lot 1, a distance of 108.10 feet to the Northeast corner thereof; thence South along the East line of said Lots 1 through 4, inclusive, a distance of 100 feet to the Southeast corner of said Lot 4; thence West along the South line of said Lot 4, a distance of 108.10 feet to the Southwest corner thereof; thence North along the West line of said Lots 4 through 1, inclusive, and along the East right-of-way line of said Baltimore Avenue, a distance of 100 feet to the Point of Beginning. Containing 0.248 acres, more or less; and

All of Lots 5 through 8, inclusive, all in Block 8, REID'S ADDITION, a subdivision, according to the recorded plat thereof, together with all of Lots 73 through 76, inclusive, including the North-South alley lying West of and adjacent to the West line of said Lots 73 through 76, inclusive, all in Block 6, McGEE'S ADDITION, a subdivision, according to the recorded plat thereof, all in Kansas City, Jackson County, Missouri, being more particularly described as follows:

Beginning at the Northeast corner of said Lot 73, being also the point of intersection of the South right-of-way line of 13th Street with the West right-of-way line of Main Street, as said streets are now both established; thence South along said West right-of-way line and along the East line of said Block 6, a distance of 148.5 feet to the Southeast corner of said Lot 76, thence West along said the South line of said Lot 76 and its Westerly prolongation, a distance of 146.59 feet to the Southeast corner of Lot 8 , Block 8, REID'S ADDITION, a subdivision in said City, County and State, according to the recorded plat thereof; thence West along the South line of said Lot 8, a distance of 108.10 feet to the Southwest corner thereof; thence North along said East right-of-way and along the West line of Lots 8 through 5, inclusive, Block 8, a distance of 99 feet to the Northwest corner of said Lot 5; thence East along the North line of said Lot 5, a distance of 108.10 feet to the Northeast corner; thence North along the East line of Lots 4 through 1, inclusive, of said Block 8, a distance of 100 feet to the Northeast corner of said Lot 1; thence East along the Easterly prolongation of the North line of said Lot 1 and along the South right-of-way line of said 13th Street, a distance of 146.59 feet to the Point of Beginning.

Block 125: A fee simple condominium interest in an elevated condominium unit to be created by the filing of a condominium plan and plat creating a condominium unit over and above the ground containing customary utility, maintenance, use and access rights over the Southerly 158 feet of all of Lots 82 through 99 of Block 7 of McGee's Addition To Kansas City, County of Jackson, State of Missouri, according to the recorded plat thereof.

Block 126: Lots 100 through 117 of Block 8 of McGee's Addition To Kansas City, County of Jackson, State of Missouri, according to the recorded plat thereof.

Block 138: Lots 1, 2, 3 and 4 of Block L of Second Resurvey of Reid's Addition, a subdivision in the City of Kansas City, County of Jackson, State of Missouri, according to the recorded plat thereof.

Lots 7, 8, 9 and 10 of Block 9 of Reid's Addition To Kansas City, County of Jackson, State of Missouri, according to the recorded plat thereof.

Lots 208, 209, 210, 211 and 212 of Block 15 of McGee's Addition To Kansas City, County of Jackson, State of Missouri, according to the recorded plat thereof.

Block 139: Lots 190, 191, 192, 193, 194, 199, 200, 201, 202 and 203 of Block 14 of McGee's Addition To Kansas City, County of Jackson, State of Missouri, according to the recorded plat thereof.

Block 140: Lots 172, 173, 174, 175, 176, 181, 182, 183, 184 and 185 of Block 13 of McGee's Addition To Kansas City, County of Jackson, State of Missouri, according to the recorded plat thereof.

EXHIBIT 1 B

LEGAL DESCRIPTION
PROJECT AREA 2

Beginning at the point of intersection of the center line of the right-of-way of 13th Street and the center line of the right-of-way of Walnut Street; thence south along the center line of the right-of-way of Walnut Street to the point of intersection of the center line of the right-of-way of 14th Street; thence west along the center line of the right-of way of 14th Street to the point of intersection of Main Street; thence north along the center line of the right-of-way of Main; thence east along the center line of the right-of-way of 13th Street to the Point of Beginning. All center-line of right-of-way are as now established.

All or part of other property which includes: Lots 82 through 99 of Block 7 of McGee's Addition To Kansas City, County of Jackson, State of Missouri, according to the recorded plat thereof, however excluding the air rights over the southerly 158 feet of all of Lots 82 through 99 of Block 7 of McGee's Addition to Kansas City, County of Jackson, State of Missouri according to the recorded plat thereof.

EXHIBIT 1B

LEGAL DESCRIPTION
PROJECT AREA 3

Hotel President

All of Block E, 2nd RESURVEY OF REID'S ADDITION, a subdivision in Kansas City, Jackson County, Missouri, according to the recorded plat thereof, being more particularly described as follows:

Beginning at the Southwest corner of Lot 4 of said Block E, being also the point of intersection of the North right-of-way line of 14th Street with the East right-of-way line of Baltimore Avenue, as said street and avenue are now both established; thence North along said East right-of-way line and along the West line of said Lot 4, a distance of 130.50 feet to the Northwest corner thereof; thence East along the North line of Lots 4 through 1, inclusive, of said Block E, a distance of 108.10 feet to the Northeast corner of said Lot 1; thence South along the East line of said Lot 1, a distance of 130.50 feet to the Southeast corner thereof; thence West along the South line of said Lots 1 through 4, inclusive, and along the North right-of-way line of said 14th Street, a distance of 108.10 feet to the Point of Beginning. Containing .0324 acres, more or less; and

All of Lots 9 through 12, inclusive, including the vacated alley South of and adjacent to the South line of said Lot 12, all in Block 8, REID'S ADDITION, a subdivision, according to the recorded plat thereof, together with all of Lots 77 through 81, inclusive, including the North-South alley lying West of and adjacent to the West line of said Lots 77 through 81, inclusive, all in Block 6, McGEE'S ADDITION, a subdivision, according to the recorded plat thereof, all in Kansas City, Jackson County, Missouri, being more particularly described as follows:

Missouri, being more particularly described as follows:

Beginning with the Northeast corner of said Lot 77, which is 148.5 feet south of the northeast corner of Lot 73 being also the point of intersection with the West right-of-way line of Main Street, as said streets are now both established; thence South along said West right-of-way line and along the East line of said Block 6, a distance of 297 feet to the Southeast corner of said Lot 81, being also a point of intersection with the North right-of-way line of 14th Street, as now established; thence West along said North right-of-way line and along the South line of said Lot 81 and its Westerly prolongation, a distance of 146.59 feet to the Southeast corner of Lot 1, Block E, 2nd RESURVEY OF REID'S ADDITION, a subdivision in said City, County and State, according to the recorded plat thereof; thence North along the East line of said Lot 1, a distance of 130.50 feet to the Northeast corner thereof; thence West along the North line of Lots 1 through 4, inclusive, of said Block E, a distance of 108.10 feet to the Northwest corner of said Lot 4, being also a point on the East right-of-way line of Baltimore Avenue, as now established; thence North along said East right-of-way and along the West line of Lots 12 through 5, inclusive, Block 8, REID'S ADDITION, a

subdivision in said City, County and State, according to the recorded plat thereof, a **distance of 99 feet to the Northwest corner of said Lot 9**; thence

East along the North line of said Lot 9, a distance of 108.10 feet, of said Block 8; thence East along the North line of said Lot 77 a distance of 146.59 feet to the Point of Beginning.

EXHIBIT 1 B

LEGAL DESCRIPTION
PROJECT AREA 4

Town Pavilion Building Tract:

Beginning at the point of intersection of the center line of the right-of-way of Petticoat Lane with the center line of the right-of-way of Main Street; thence south along the center line of the right-of-way of Main Street to its intersection with the center line of the right-of-way of 12th Street; thence east along the center line of the right-of-way of 12th Street to its intersection with the center line of the right-of-way of Walnut Street; thence north along the center line of the right-of-way of Walnut Street to its intersection with the center line of the right-of-way of Petticoat Lane; thence west along the center line of the right-of-way of Petticoat Lane to the point of beginning; all of which includes, among other property:

All of Lot 1, K J & J Addition; Unit A-1, Unit A-2 and Unit B, K J & J Condominium, a condominium subdivision in Kansas City, Jackson County, Missouri.

EXHIBIT 1B

LEGAL DESCRIPTION
PROJECT AREA 5

Transamerica Garage Tract:

Beginning at the point of intersection of the westerly prolongation of the northern boundary of Lot 1, E & A Subdivision with the center line of the right-of-way of Baltimore Avenue; thence south along the center line of the right-of-way of Baltimore Avenue to its intersection with the westerly prolongation of the southern boundary of Lot 1, E & A Subdivision; thence east along the southern boundary of Lot 1, E & A Subdivision to its intersection with the center line of the public alley lying west of Lot 2, E & A Subdivision; thence south along the center line of the public alley lying west of Lot 2, E & A Subdivision to its intersection with the westerly prolongation of the southern boundary of Lot 2, E & A Subdivision; thence east along the southern boundary of Lot 2, E & A Subdivision, to the point of intersection of the easterly prolongation of the southern boundary of Lot 2, E & A Subdivision with the center line of the right-of-way of Main Street; thence north along the center line of the right-of-way of Main Street to the easterly prolongation of the northern boundary of Lot 1, E & A Subdivision; thence west along the northern boundary of Lot 1, E & A Subdivision to its point of intersection with the center line of the north-south public alley lying east of Lot 4, Block 10, Ashburn's Addition; thence north along the center line of the north-south public alley lying east of Lot 4, Block 10, Ashburn's Addition to its intersection with the center line of the east-west public alley lying north of Lot 1, E & A Subdivision; thence west along the center line of the east-west public alley lying north of Lot 1, E & A Subdivision to its intersection with the center line of the right-of-way of Baltimore Avenue; thence south along the center line of the right-of-way of Baltimore Avenue to the point of beginning; all of which includes, among other property:

All of Lots 1 and 2, E & A Subdivision; the south ½ of the east-west public alley lying north of Lot 1, E & A Subdivision; the west ½ of that portion of the north-south public alley lying south of the easterly prolongation of the center line of the east-west public alley lying north of Lot 1, E & A Subdivision; the east ½ of the north-south public alley lying west of Lot 2, E & A Subdivision.

EXHIBIT 1 B

LEGAL DESCRIPTION
PROJECT AREA 6

<u>One Kansas City Place Tract</u>:

Beginning at the point of intersection of the center line of the right-of-way of 12th Street and the center line of the right-of-way of Baltimore Avenue; thence south along the center line of the right-of-way of Baltimore Avenue to its intersection with the westerly prolongation of the southern boundary of the northern 14 feet of Lot 12, Block 1, Reid's Addition; thence east along the southern boundary of the northern 14 feet of Lot 12, Block 1, Reid's Addition to its intersection with the eastern boundary of Lot 12, Block 1, Reid's Addition; thence south along the eastern boundary of Lot 12, Block 1, Reid's Addition, and along the eastern boundary of the north 6 feet of Lot 13, Block 1, Reid's Addition, to its intersection with the westerly prolongation of a line 27 ½ feet south of and parallel with the northern boundary of Lot 70, Block 5, McGee's Addition; thence east along a line 27 ½ feet south of and parallel with the northern boundary of Lot 70, Block 5, McGee's Addition, to its intersection with the center line of the right-of-way of Main Street; thence north along the center line of the right-of-way of Main Street to its intersection with the center line of the right-of-way of 12th Street; thence west along the center line of the right-of-way of 12th Street to the point of beginning; all of which includes, among other property:

All of Lots 64 through 69, inclusive, Block 5, McGee's Addition; the north 27 ½ feet of Lot 70, Block 5, McGee's Addition; all of Lots 1 through 4, inclusive, Block A, Resurvey of Reid's Addition; all of Lots 7 through 11, inclusive, Block 1, Reid's Addition; and the north 14 feet of Lot 12, Block 1, Reid's Addition; together with the vacated alley west of and adjacent to Lots 64 through 69, inclusive, Block 5, McGee's Addition, and the north 27 ½ feet of Lot 70, Block 5, McGee's Addition, and east of and adjacent to Lot 1, Block A, Resurvey of Reid's Addition, and Lots 7 through 12, inclusive, Block 1, Reid's Addition, and the north 6 feet of Lot 13, Block 1, Reid's Addition; the vacated alley south of and adjacent to Lots 1 through 4, inclusive, Block A, Resurvey of Reid's Addition and north of and adjacent to Lot 7, Block 1, Reid's Addition, together with that portion of the vacated alley and vacated 12th Street vacated by Ordinance No. 58327 recorded as Document No. K-679831.

EXHIBIT 1 B

LEGAL DESCRIPTION
PROJECT AREA 7

Expansion Office Building

A fee simple condominium interest in an elevated condominium unit to be created by the filing of a condominium plat and plan creating a condominium unit over and above the ground and containing customary utility, maintenance, use and access rights over the northern 160 feet of:

Lots 1 through 12 of Block 8 of Reid's Addition to Kansas City, County of Jackson, State of Missouri, according to the recorded plat thereof.

Lots 1,2,3 and 4 of Block E of Second Resurvey of Reid's Addition, a subdivision in the City of Kansas City, County of Jackson, State of Missouri, according to the recorded plat thereof.

Lots 73 through 81, Block 6 of McGee's Addition To Kansas City, County of Jackson, State of Missouri, according to the recorded plat thereof.

EXHIBIT 1 B

LEGAL DESCRIPTION
PROJECT AREA 8

Block 127:

All of Lots 118 through 135, Block 9, McGee's Addition, Kansas City, Jackson County, Missouri.

Block 128:

All of Lots 139 through 144 , Block 10, McGee's Addition and west ½ of vacant alley east and adjacent Lot 139; all of Lots A through K, Block 71, McGee's Addition, Kansas City, Jackson County, Missouri

Block 141:

All of Lots 154 through 167, Block 11, McGee's Kansas City, Jackson County, Missouri.

Block 142:
All of Lots 145 through 148, Block 11, McGee's Addition and All of Lots A through H, Block 66, McGee's Addition, Kansas City, Jackson County, Missouri.

EXHIBIT 1 B

LEGAL DESCRIPTION
PROJECT AREA 9

Block 109:

South 11 Feet of Lot 12 and all of Lots 13 thru 17, Reid's Addition; West 130 Feet of south 22 feet of Lot 70 and west 130 feet of Lots 71 & 72, Block 5, McGee's Addition and the vacated alley between parcels.

EXHIBIT 1 B

LEGAL DESCRIPTION
PROJECT AREA 10

Block 137:

South east corner 05-49-033; northwest ¼ southwest ¼; Part of Lots 7, 8, 9, 15 & all of Lot 16, Block 10, Reid's Addition; Lots 1 thru7, Part of Lots 8 through 12, Block K, Reid's Addition; Second Resurvey of Reid's Addition and vacant alley.

EXHIBIT 1 B

LEGAL DESCRIPTION
PROJECT AREA 11

Block 136

German Building assign subsection south 104.50 feet of lots 1 thru 12, Block J.

EXHIBIT 2 B

PROJECT 8 DEVELOPMENT AREA

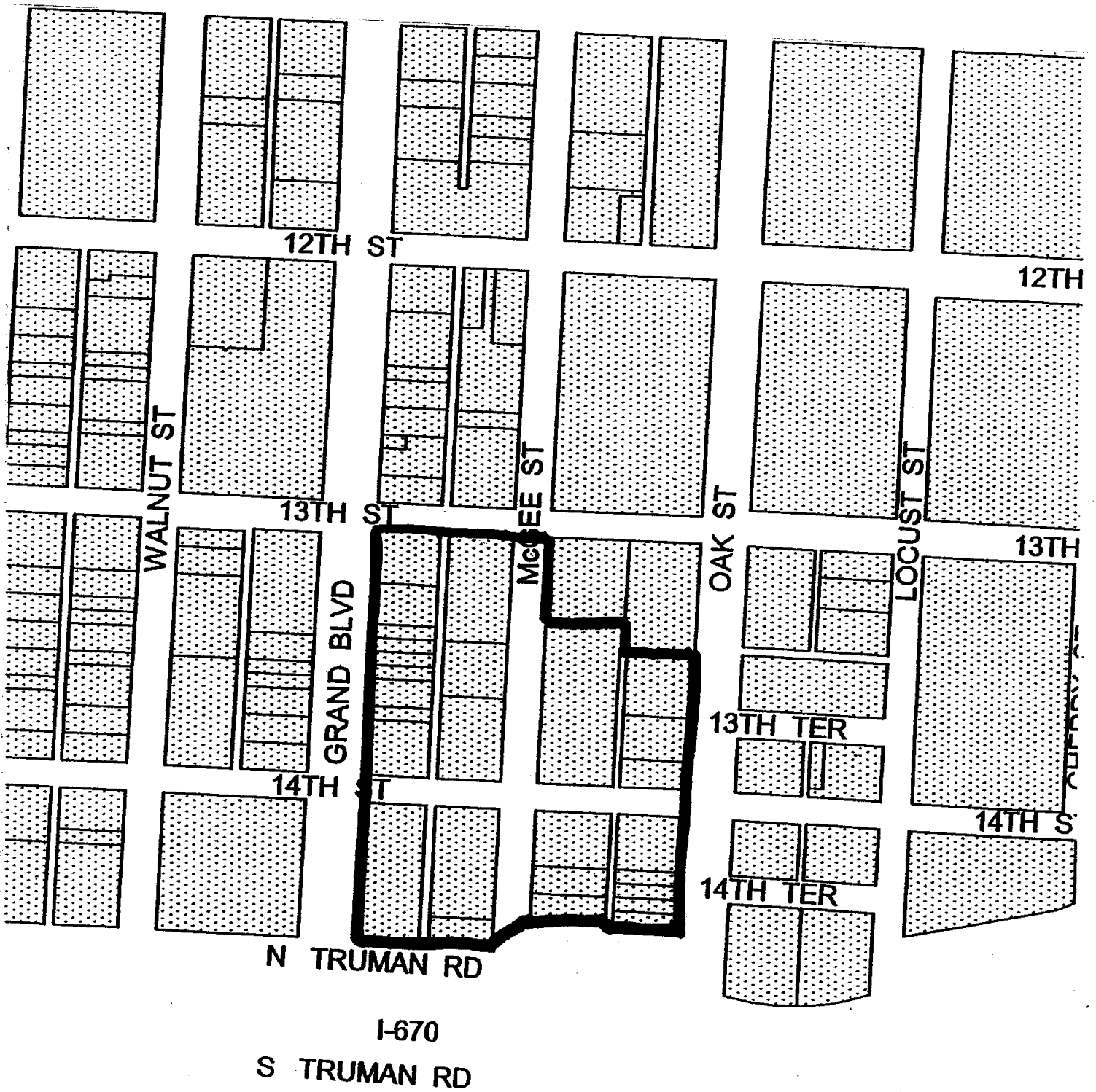


EXHIBIT 2 B

PROJECT 9 DEVELOPMENT AREA

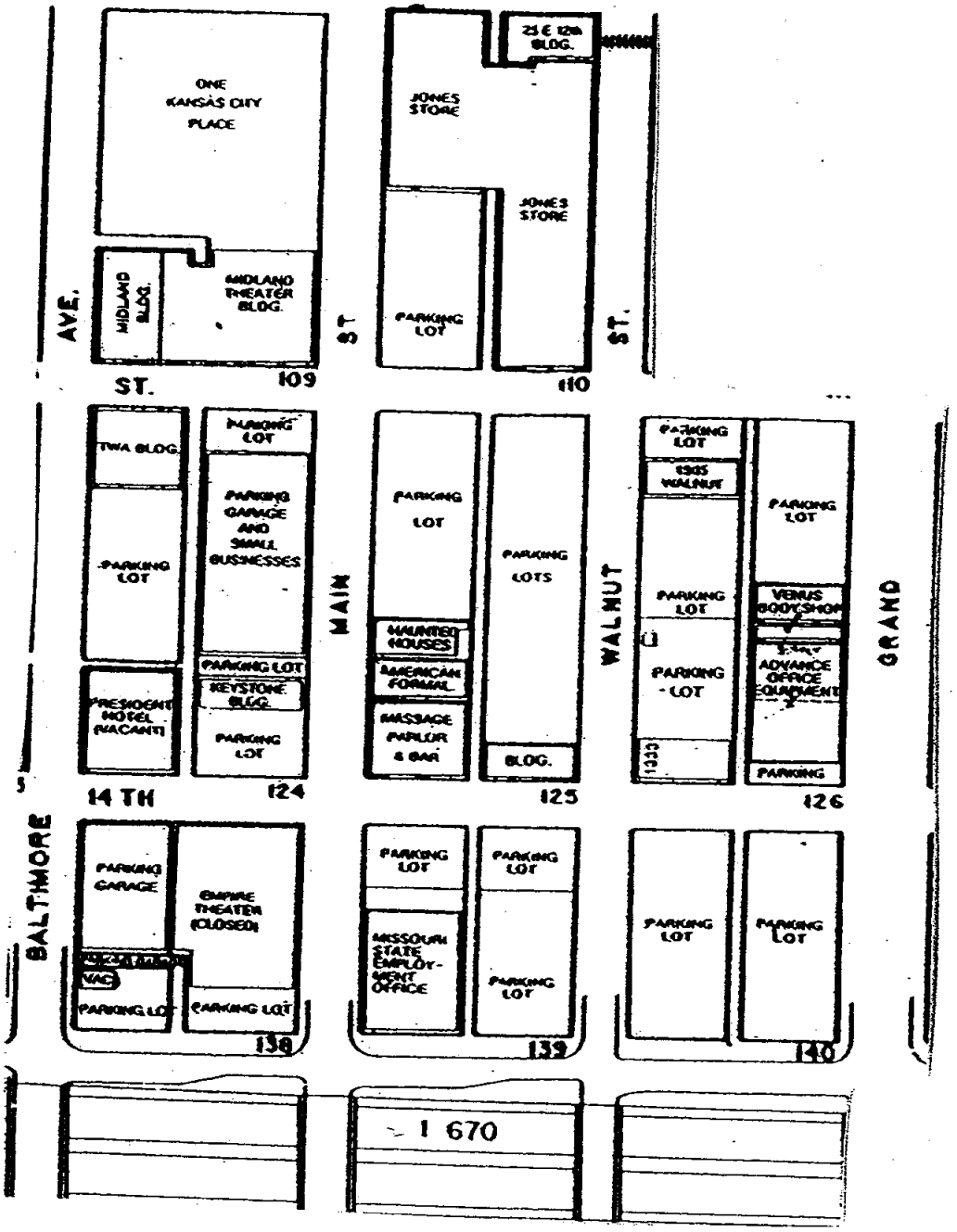


EXHIBIT 2 B

PROJECT 10 AND 11 DEVELOPMENT AREA

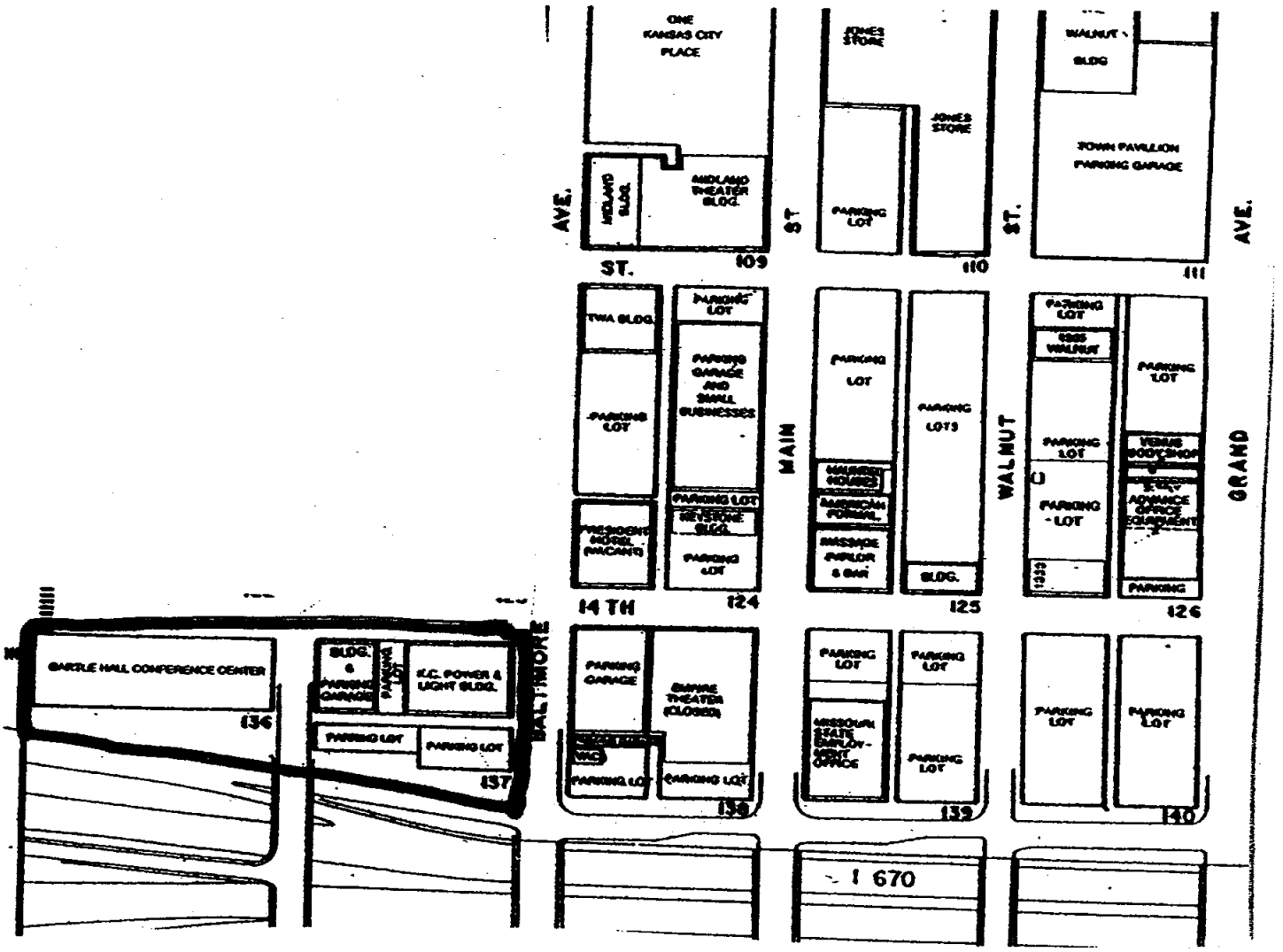


EXHIBIT 3

SPECIFIC OBJECTIVES OF REDEVELOPMENT PLAN

1. To cure the blighted conditions identified in the blight study, by inter alia, the improvements described in this Plan.

2. To acquire land.

3. To acquire and demolish the vacant Jones Store building.

4. To construct public parking garages.

5. To improve public streets, sidewalks, streetscape and public infrastructure.

6. To construct an 325,000 to 425,000 square feet of an Entertainment District.

7. To rehabilitate office space in One Kansas City Place.

8. To rehabilitate the Hotel President and future expansion of hotel for 320 additional rooms.

9. To construct two office buildings approximately 450,000 to 650,000 square feet and 250,000 to 350,000 square feet.

10. To construct mixed used which includes retail, residential, office and open space.

11. To construct improvements in and parking for the Town Pavilion.

12. Construct 18,000 to 20,000 seat arena and up to 500 on site parking spaces.

13. To upgrade and refurbish theaters with Redevelopment Area.

14. To upgrade and refurbish utilities and other infrastructure facilities serving the Redevelopment Area.

15. To enhance the tax base by inducing development of the Redevelopment Area to its highest and best use, benefit taxing districts and encourage private investment in surrounding areas.

16. To promote the health, safety, order convenience, prosperity and general welfare, as well as efficiency and economy in the process of development.

17. To provide development and business opportunities in the Redevelopment Area and surrounding areas.

18. To stimulate construction employment opportunities and increase demand for secondary and support services for the surrounding area.

EXHIBIT 4 A
Supplement

Project 8

CONSTRUCTION TOTALS BY PROJECT AREA

	NEW CONSTRUCTION	Existing structures to REMAIN AS IS	Existing Structures to be REHABILITATED	Total		Existing Structures to be DEMOLISHED
Square feet of OFFICE Space	Approx. 9,000 sq. ft. for NABC	0	0	Approx. 9,000		
Square feet of RETAIL Space	Approx. 2,000 sq. ft. for NABC	0	0	Approx. 2,000		
Square feet of INSTITUTIONAL (PUBLIC) Space	Approx. 50,000 sq. ft. of exhibit space & common area for NABC.	0	0	Approx. 50,000		
Square feet of INDUSTRIAL Space	0	0	0	0		
Number of DWELLING UNITS	0	0	0	0		
Number of HOTEL ROOMS	0	0	0	0		
Number of PARKING SPACES	Approx. 500 spaces			Approx. 500		

EXHIBIT 4 B
Supplement

Project 8

EMPLOYMENT INFORMATION

Permanent jobs to be CREATED In Kansas City	
Permanent jobs to be RELOCATED TO Kansas City	
Permanent jobs to be RETAINED IN Kansas City	
TOTAL	
Anticipated Annual Payroll	
Estimated number of construction Workers to be hired during construction Phase	

EXHIBIT 5 A
1200 MAIN/SOUTH LOOP TIF PLAN
ESTIMATED REDEVELOPMENT PROJECT COSTS

	ESTIMATED TOTAL PROJECT COSTS	REIMBURSABLE FROM TIF REVENUES	DEVELOPER EQUITY/ OTHER FINANCING
TIF COMMISSION EXPENSES[1]			
1. Estimated Reimbursable Costs for Plan Implementation			
A. Legal	$175,000	$175,000	$0
B. Agenda	2,000	2,000	0
C. Staff Time	70,000	70,000	
D. Miscellaneous	30,000	30,000	0
2. Plan Administration Expenses	150,000	150,000	0
Subtotal	**$427,000**	**$427,000**	**$0**
PROJECT AREA 1 -Entertainment District			
Site	$41,414,639	$41,414,639	
Public Parking Structures	$24,250,000	$24,250,000	0
Retail Construction	95,625,000	54,000,000	41,625,000
Public Infrastructure	20,000,000	20,000,000	0
Architectural/Engineering Fees	2,250,000	2,250,000	0
SUBTOTAL	**$183,539,639**	**$141,914,639**	**$41,625,000**
Final Development Project 1 and 2 Approval Fees ($.05 per square foot@ 925,000)	$46,250	$0	$0
PROJECT AREA 2 -H&R Block Office Building			
Site	$59,439,790	$59,439,790	
Public Parking Structures	22,876,194	$22,876,194	
Tenant Improvement	27,565,985	$27,565,985	
Developer Fee	3,845,869	$3,845,869	$0
Furniture, Fixtures and Equipment	10,000,000	$7,589,986	$2,410,014
Pre-Occuapncy Costs	13,671,250		$13,671,250
Interest Expense	$ 171,000,000	$ 171,000,000	$ -
SUBTOTAL	**$308,399,088**	**$292,317,824**	**$16,081,264**

	ESTIMATED TOTAL PROJECT COSTS	REIMBURSABLE FROM TIF REVENUES	DEVELOPER EQUITY/ OTHER FINANCING
Project 3A - Hotel President Renovation			
Land Acquisition Cost and Short Term Debt	2,600,000	1,213,607	1,386,393
Hotel Construction Costs - Hard Costs	26,846,500	12,783,182	14,063,318
Architect & Engineering	2,172,000	615,000	1,557,000
Furniture, Fixtures & Equipment	5,100,000		5,100,000
Environmental Abatement	2,025,455	516,611	1,508,844
Brownfield Legal Expense	242,086		242,086
Developers Fees	367,981		367,981
Pre Opening Expenses	500,000		500,000
Owners Development Costs (appraisal, envr)	724,545		724,545
Financing Fees	1,281,000		1,281,000
Legal Fees, Title, Closing Costs	523,013		523,013
Inspecting Engineer (HDR Engineering)	45,000		45,000
Interest Reserve	1,044,620		1,044,620
Contingency	1,000,000		1,000,000
Operating Allowance	1,000,000		1,000,000
TIF Commission Expenses	$ 105,000	$ 105,000	0
SUBTOTAL	**$45,577,200**	**$15,233,400**	**$30,343,800**
Final Development Project 3A Approval Fees ($.05 per square foot@ 247,254)	$12,363	$0	$0

* The first draw from the Project Fund will be used to reimburse the Developer for the out-of-pocket costs expended for land acquisition, hard construction costs, environmental abatement and a portion of the architectural and engineering fees.

**The Hotel Hard Construction Costs includes approximately $222,000 in streetscape and public right-of-way improvements.

*** No TIF Proceeds will be used to fund furniture, fixtures or equipment.

**** Developer has been, or will be, issued federal and state historic tax credits and brownfield redevelopment tax credits, the proceeds from the sale of which will fund a portion of developer's costs. The proceeds of the sale of those tax credits is estimated to be as follows: federal --$6,246,000; state -- $7,578,746; brownfield -- $1,707,086; total -- $15,531,832.

Project 4 [2]	$0	$0	$0
Project 5 [2]	$0	$0	$0
Project 6 [2]	$0	$0	$0
Project 7 [2]	$0	$0	$0

	ESTIMATED TOTAL PROJECT COSTS	REIMBURSABLE FROM TIF REVENUES	DEVELOPER EQUITY/ OTHER FINANCING
PROJECT AREA 8 - Arena			
Design & Professional Services	$12,830,000	$0	$12,830,000
Acquisition/Demo/Infrastructure	36,050,000	0	36,050,000
Arena Construction Costs	150,000,000	0	150,000,000
NABC Hall of Fame	20,000,000	0	20,000,000
Systems& Equipment	24,150,000	0	24,150,000
Contingency	6,970,000	0	6,970,000
Parking	5,085,574	5,085,574	0
SUBTOTAL	**$255,085,574**	**$5,085,574**	**$250,000,000**
Project 9 [2]	$0	$0	$0
Project 10 [2]	$0	$0	$0
Project 11 [2]	$0	$0	$0
TOTAL	**$793,028,501**	**$454,978,437**	**$338,050,064**

[1] The selected developer shall pay all fees and expenses of the TIF Commission for Plan preparation, approval and implementation including, but not limited to, staff time, agenda costs, legal fees, printing and publication of notices. The selected developer shall be billed for these expenses by the Commission as needed. These expenses shall be considered reimbursable project costs to the developer from the Special Allocation Fund.

In addition, the Commission has determined that those planning and special services expenses of the Commission which cannot be directly attributable to a particular project are nonetheless reasonable and necessary for the operation of the Commission and are incidental to the project. These incidental costs will be recovered by the Commission from the Special Allocation Fund in an amount not to exceed five percent (5%) of the PILOTS and Economic Activity Taxes paid annually into the fund.

[2] Plan to be amended at the time of submission of specific projects.

[3] For Project 1,2 and 3 the amounts inlcuded herein are estimated expenses stated in 2003 dollars. For Project 8, the amount included herein are estimated expenses stated in 2004 dollars.

EXHIBIT 5 B

ESTIMATED REDEVELOPMENT SCHEDULE

PROJECT	COMPLETE
Project 1Kansas City LIVE Site Development/Tenant Finish	0 + 36 months
Project 2 H&R Block Office Building Construction of Parking Garage	0 + 36 months
Project 3A Renovation of Hotel President	0+ 24 months
Project 3B Hotel President Expansion	0+120 months
Project 4 Town Pavilion	0+120 months
Project 5 Trans America Parking Garage	0+120 months
Project 6 Renovation of One Kansas City Place	0+120 months
Project 7 H&R Block Office Expansion	0+120 months
Project 8 Arena	0+48 months
Project 9 Theater	0+120 months
Project 10 Office Project	0+120 months
Project 11 City Development	0+120 months

Note: "0" is the date of Plan approval

EXHIBIT 6

ESTIMATED ANNUAL INCREASES IN ASSESSED VALUE
AND
RESULTING PAYMENTS IN LIEU OF TAXES
AND
PROJECTED ECONOMIC ACTIVITY TAXES

PROJECT 8

TIF Revenue Projections

	Taxes Available Under Statutory TIF							Total TIF Revenues					
Year	F&B Sales	Retail Sales	Individual Earnings	Utilities	Total EATS Per TIF	5% TIF Admin. Fee	Total TIF (Statutory)	TOTAL TIF	Cumulative Annual TIF	125% Coverage Factor	4.00% PV FACTOR	Present Value of Total TIF at 4.00%	A P
1	$ 245,031	$ 61,174	$ 10,220	$ 9,500	$ 325,924	($16,296)	$ 309,628	$ 309,628	$ 309,628	$ 247,703	0.96117	$ 238,084	$
2	254,831	63,628	10,525	9,785	338,769	(16,938)	321,830	321,830	631,458	257,464	0.92385	237,857	
3	265,029	66,165	10,840	10,080	352,114	(17,606)	334,508	334,508	965,967	267,606	0.88797	237,627	
4	275,625	68,805	11,165	10,380	365,975	(18,299)	347,676	347,676	1,313,643	276,141	0.85349	237,391	
5	286,681	71,569	11,500	10,690	380,439	(19,022)	361,417	361,417	1,675,060	289,134	0.82035	237,191	
6	298,134	74,436	11,845	11,010	395,425	(19,771)	375,654	375,654	2,050,714	300,523	0.78849	236,960	
7	310,048	77,406	12,200	11,340	410,993	(20,550)	390,443	390,443	2,441,157	312,355	0.75788	236,726	
8	322,451	80,499	12,570	11,680	427,200	(21,360)	405,840	405,840	2,846,997	324,672	0.72845	236,506	
9	335,344	83,717	12,945	12,030	444,036	(22,202)	421,834	421,834	3,268,831	337,467	0.70016	236,281	
10	348,758	87,079	13,335	12,390	461,561	(23,078)	438,483	438,483	3,707,314	350,787	0.67297	236,069	
11	362,723	90,564	13,735	12,760	479,782	(23,989)	455,793	455,793	4,163,107	364,634	0.64684	235,860	
12	377,239	94,174	14,145	13,145	498,703	(24,935)	473,767	473,767	4,636,875	379,014	0.62172	235,641	
13	392,306	97,948	14,570	13,540	518,364	(25,918)	492,446	492,446	5,129,321	393,957	0.59758	235,420	
14	408,017	101,867	15,005	13,945	538,834	(26,942)	511,892	511,892	5,641,213	409,514	0.57437	235,214	
15	424,340	105,930	15,455	14,365	560,090	(28,005)	532,086	532,086	6,173,298	425,668	0.55207	234,999	
16	441,306	110,179	15,920	14,795	582,200	(29,110)	553,090	553,090	6,726,388	442,472	0.53063	234,790	
17	458,946	114,572	16,400	15,240	605,158	(30,258)	574,900	574,900	7,301,289	459,920	0.51003	234,572	
18	477,321	119,171	16,890	15,695	629,078	(31,454)	597,624	597,624	7,898,912	478,099	0.49022	234,375	
19	496,401	123,936	17,395	16,165	653,896	(32,695)	621,201	621,201	8,520,114	496,961	0.47119	234,162	
20	516,276	128,886	17,920	16,650	679,732	(33,987)	645,745	645,745	9,165,859	516,596	0.45289	233,961	
21	531,773	134,042	18,455	17,150	701,419	(35,071)	666,348	666,348	9,832,207	533,079	0.43530	232,051	
22	547,728	139,404	19,010	17,665	723,808	(36,190)	687,617	687,617	10,519,824	550,094	0.41840	230,160	
23	564,174	144,973	19,580	18,195	746,922	(37,346)	709,576	709,576	11,229,400	567,661	0.40215	228,287	
Total	$ 8,940,479	$ 2,240,123	$ 331,625	$ 308,195	$ 11,820,421	($591,021)	$ 11,229,400	$ 11,229,400		$ 8,983,520		$ 5,410,185	18
												(324,611)	Montl
												$ 5,085,574	

Kansas City Arena
Hockey - Anchored Transaction
Tax Increment Summary

	Operations Year 1	Operations Year 2	Operations Year 3	Operations Year 4	Operations Year 5	Operations Year 6	Operations Year 7	Operations Year 8	Operations Year 9	Operations Year 10	Operations Year 11
Revenue Cash Flows											
Concessions	$ 8,001,000	$ 8,321,000	$ 8,654,000	$ 9,000,000	$ 9,361,000	$ 9,735,000	$ 10,124,000	$ 10,529,000	$ 10,950,000	$ 11,388,000	$ 11,844,000
Merchandise Revenue	$ 2,966,000	$ 3,085,000	$ 3,208,000	$ 3,336,000	$ 3,470,000	$ 3,609,000	$ 3,753,000	$ 3,903,000	$ 4,059,000	$ 4,222,000	$ 4,391,000
Arena Salaries (Admin./Client Services/HR/Sales)	$ 2,044,000	$ 2,105,000	$ 2,168,000	$ 2,233,000	$ 2,300,000	$ 2,369,000	$ 2,440,000	$ 2,514,000	$ 2,589,000	$ 2,667,000	$ 2,747,000
Utilities	$ 1,900,000	$ 1,957,000	$ 2,016,000	$ 2,076,000	$ 2,138,000	$ 2,202,000	$ 2,268,000	$ 2,336,000	$ 2,406,000	$ 2,478,000	$ 2,552,000
TIF Cash Flows											
Concessions 3.0625% (50% of Total Tax Rate)	$ 245,031	$ 254,831	$ 265,029	$ 275,625	$ 286,681	$ 298,134	$ 310,048	$ 322,451	$ 335,344	$ 348,758	$ 362,723
Merchandise 2.0625% (50% of Total Tax Rate)	61,174	63,628	66,165	68,805	71,569	74,436	77,406	80,499	83,717	87,079	90,564
Salaries 0.5000% (50% of Total Tax Rate)	10,220	10,525	10,840	11,165	11,500	11,845	12,200	12,570	12,945	13,335	13,735
Utilities 5.0000% (50% of Total Tax Rate)	9,500	9,785	10,080	10,380	10,690	11,010	11,340	11,680	12,030	12,390	12,760
TOTAL	$ 326,000	$ 339,000	$ 352,000	$ 366,000	$ 380,000	$ 395,000	$ 411,000	$ 427,000	$ 444,000	$ 462,000	$ 480,000

Tax Rates For TIF

City General	2.375%
County	0.750%
City F&B	2.000%
TDD	1.000%

Concessions	Merchandise	Salaries	Utilities	Total
245,031	81,174	10,220	9,500	325,924
254,831	63,628	10,525	9,785	338,769
265,029	66,165	10,840	10,080	352,114
275,625	66,805	11,165	10,380	365,975
286,681	71,569	11,500	10,690	380,439
298,134	74,436	11,845	11,010	395,425
310,048	77,406	12,200	11,340	410,993
322,451	80,499	12,570	11,680	427,200
335,344	83,717	12,945	12,030	444,036
348,758	87,079	13,335	12,390	461,561
362,723	90,564	13,735	12,760	479,782
377,239	94,174	14,145	13,145	498,703
392,306	97,948	14,570	13,540	518,364
408,017	101,867	15,005	13,945	538,834
424,340	105,930	15,455	14,365	560,090
441,306	110,179	15,920	14,795	582,200
458,948	114,572	16,400	15,240	605,158
477,321	119,171	16,890	15,695	629,076
496,401	123,936	17,395	16,165	653,896
516,276	128,886	17,920	16,650	679,732
531,773	134,042	18,455	17,150	701,419
547,728	139,404	19,010	17,665	723,808
564,174	144,973	19,580	18,195	746,922
				11,820,421

Kansas City Arena
Hockey - Anchored Transaction
Tax Increment Summary

	Operations Year 13	Operations Year 14	Operations Year 15	Operations Year 16	Operations Year 17	Operations Year 18	Operations Year 19	Operations Year 20	Operations Year 21	Operations Year 22	Operations Year 23
Revenue Cash Flows											
Concessions	$ 12,810,000	$ 13,323,000	$ 13,856,000	$ 14,410,000	$ 14,986,000	$ 15,586,000	$ 16,209,000	$ 16,858,000	$ 17,364,000	$ 17,885,000	$ 18,422,000
Merchandise Revenue	$ 4,749,000	$ 4,939,000	$ 5,136,000	$ 5,342,000	$ 5,555,000	$ 5,778,000	$ 6,009,000	$ 6,249,000	$ 6,499,000	$ 6,759,000	$ 7,029,000
Arena Salaries (Admin./Client Services/HR/Sales)	$ 2,914,000	$ 3,001,000	$ 3,091,000	$ 3,184,000	$ 3,280,000	$ 3,378,000	$ 3,479,000	$ 3,584,000	$ 3,691,000	$ 3,802,000	$ 3,916,000
Utilities	$ 2,708,000	$ 2,789,000	$ 2,873,000	$ 2,959,000	$ 3,048,000	$ 3,139,000	$ 3,233,000	$ 3,330,000	$ 3,430,000	$ 3,533,000	$ 3,639,000
TIF Cash Flows											
Concessions 3.0625% (50% of Total Tax Rate)	$ 392,306	$ 408,017	$ 424,340	$ 441,306	$ 458,946	$ 477,321	$ 496,401	$ 516,276	$ 531,773	$ 547,728	$ 564,174
Merchandise 2.0625% (50% of Total Tax Rate)	97,948	101,867	105,930	110,179	114,572	119,171	123,936	128,886	134,042	139,404	144,973
Salaries 0.5000% (50% of Total Tax Rate)	14,570	15,005	15,455	15,920	16,400	16,890	17,395	17,920	18,455	19,010	19,580
Utilities 5.0000% (50% of Total Tax Rate)	13,540	13,945	14,365	14,795	15,240	15,695	16,165	16,650	17,150	17,665	18,195
TOTAL	$ 516,000	$ 539,000	$ 560,000	$ 582,000	$ 605,000	$ 629,000	$ 654,000	$ 680,000	$ 701,000	$ 724,000	$ 747,000

Tax Rates For TIF

City General	2.375%
County	0.750%
City F&B	2.000%
TDD	1.000%

EXHIBIT 7
PROJECT 8

D. SOURCES OF FUNDS FOR ALL ESTIMATED REDEVELOPMENT PROJECT COSTS

1.	Amount of Reimbursable Costs from PILOTS And Economic Activity Taxes	$ 5,085,574
2.	Developer	$250,000,000
TOTAL		**$255,085,574**

E. BONDS

The total estimated amount of PILOTS and Economic Activity Taxes over the twenty-three years of reimbursable project cost in this Plan from Project 8 as provided in the Act is approximately $5,410,185. The Commission may dedicate part or this entire amount to help support the issuance of bonds.

EXHIBIT 8

Cost-Benefit Analysis

Project 8 – Arena

A cost benefit analysis will not be generated on Project 8 because it is a City Project.

Project 9

A cost benefit analysis will be generated at the time of amendment for the inclusion of the redevelopment budget for this project.

Project 10

A cost benefit analysis will be generated at the time of amendment for the inclusion of the redevelopment budget for this project.

Project 11

A cost benefit analysis will be generated at the time of amendment for the inclusion of the redevelopment budget for this project.

Summary of Costs and Benefits

Analysis

10/01/04

	Construction Period		Operating Period																			
	Single Year	Additional Years	2006 Year 1	2007 Year 2	2008 Year 3	2009 Year 4	2010 Year 5	2011 Year 6	2012 Year 7	2013 Year 8	2014 Year 9	2015 Year 10	2016 Year 11	2017 Year 12	2018 Year 13	2019 Year 14	2020 Year 15	2021 Year 16	2022 Year 17	2023 Year 18	2024 Year 19	Y
VII. School District Impacts																						
Total Public Revenues																						
Construction	$0	$0	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Operations	—	—	$54,720	$54,720	$54,720	$54,720	$54,720	$54,720	$54,720	$54,720	$54,720	$54,720	$54,720	$54,720	$54,720	$54,720	$54,720	$54,720	$54,720	$54,720	$54,720	
Offsite Employee Effects	—	—	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	
State Revenue per Pupil	—	—	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	
Total Public Revenues	$0	$0	$54,720	$54,720	$54,720	$54,720	$54,720	$54,720	$54,720	$54,720	$54,720	$54,720	$54,720	$54,720	$54,720	$54,720	$54,720	$54,720	$54,720	$54,720	$54,720	
Total Public Costs																						
Construction	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Operations	—	—	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	
Offsite Employee Effects	—	—	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	
State Cost per Pupil	—	—	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	
Total Public Costs	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	
NET PUBLIC REVENUES vs. PUBLIC COSTS	$0	$0	$54,720	$54,720	$54,720	$54,720	$54,720	$54,720	$54,720	$54,720	$54,720	$54,720	$54,720	$54,720	$54,720	$54,720	$54,720	$54,720	$54,720	$54,720	$54,720	

Summary of Costs and Benefits

Analysis

10/8/04

	Construction Period		Operating Period																			
	Single Year	Additional Years	2006 Year 1	2007 Year 2	2008 Year 3	2009 Year 4	2010 Year 5	2011 Year 6	2012 Year 7	2013 Year 8	2014 Year 9	2015 Year 10	2016 Year 11	2017 Year 12	2018 Year 13	2019 Year 14	2020 Year 15	2021 Year 16	2022 Year 17	2023 Year 18	2024 Year 19
I. Kansas City Impacts																						
Total Economic Benefits																						
Construction	$126,004,539	$0	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Operations	—	—	$441,720	$454,334	$467,327	$480,710	$494,494	$508,692	$523,316	$538,378	$553,893	$569,873	$586,332	$603,285	$620,746	$638,732	$657,257	$676,337	$695,990	$716,233	$737,083
Off-site Employee Effects	—	—	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Secondary Effects	—	—	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Visitor Impacts	—	—	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total Economic Benefits	$126,004,539	$0	$441,720	$454,334	$467,327	$480,710	$494,494	$508,692	$523,316	$538,378	$553,893	$569,873	$586,332	$603,285	$620,746	$638,732	$657,257	$676,337	$695,990	$716,233	$737,083
Total Public Revenues																						
Construction	$2,359,725	$0	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Operations	—	—	$441,720	$454,334	$467,327	$480,710	$494,494	$508,692	$523,316	$538,378	$553,893	$569,873	$586,332	$603,285	$620,746	$638,732	$657,257	$676,337	$695,990	$716,233	$737,083
Off-site Employee Effects	—	—	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Secondary Effects	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Visitor Impacts	—	—	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total Public Revenues	$2,359,725	$0	$441,720	$454,334	$467,327	$480,710	$494,494	$508,692	$523,316	$538,378	$553,893	$569,873	$586,332	$603,285	$620,746	$638,732	$657,257	$676,337	$695,990	$716,233	$737,083
Total Public Costs																						
Construction	$641,925	$1,415,909	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Operations	—	—	$210,243	$216,330	$223,047	$229,736	$236,630	$243,729	$251,041	$258,573	$266,330	$274,320	$282,549	$291,026	$299,756	$308,749	$318,012	$327,552	$337,378	$347,500	$357,925
Off-site Employee Effects	—	—	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Secondary Effects	—	—	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Visitor Impacts	—	—	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total Public Costs	$641,925	$1,415,909	$210,243	$216,330	$223,047	$229,736	$236,630	$243,729	$251,041	$258,573	$266,330	$274,320	$282,549	$291,026	$299,756	$308,749	$318,012	$327,552	$337,378	$347,500	$357,925
NET ECONOMIC BENEFITS vs. PUBLIC COSTS	$126,162,613	($1,415,909)	$231,476	$237,784	$244,280	$250,972	$257,864	$264,963	$272,275	$279,806	$287,563	$295,553	$303,783	$312,259	$320,990	$329,982	$339,245	$348,785	$358,612	$368,733	$379,158
NET PUBLIC REVENUES vs. PUBLIC COSTS	$1,717,800	($1,415,909)	$231,476	$237,784	$244,280	$250,972	$257,864	$264,963	$272,275	$279,806	$287,563	$295,553	$303,783	$312,259	$320,990	$329,982	$339,245	$348,785	$358,612	$368,733	$379,158

Summary of Costs and Benefits

Analysis

10/07/04

	Construction Period		Operating Period																			
	Single Year	Additional Years	2006 Year 1	2007 Year 2	2008 Year 3	2009 Year 4	2010 Year 5	2011 Year 6	2012 Year 7	2013 Year 8	2014 Year 9	2015 Year 10	2016 Year 11	2017 Year 12	2018 Year 13	2019 Year 14	2020 Year 15	2021 Year 16	2022 Year 17	2023 Year 18	2024 Year 19
IV. Jackson County Impacts																						
Total Economic Benefits																						
Construction	$124,199,690	$0	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Operations	—	—	$113,931	$116,399	$118,940	$121,558	$124,255	$127,032	$129,893	$132,839	$135,874	$139,000	$142,219	$145,536	$148,951	$152,469	$156,093	$159,826	$163,670	$167,630	$171,708
Offsite Employee Effects	—	—	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Secondary Effects	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Visitor Impacts	—	—	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total Economic Benefits	$124,199,690	$0	$113,931	$116,399	$118,940	$121,558	$124,255	$127,032	$129,893	$132,839	$135,874	$139,000	$142,219	$145,536	$148,951	$152,469	$156,093	$159,826	$163,670	$167,630	$171,708
Total Public Revenues																						
Construction	$425,405	$0	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Operations	—	—	$113,931	$116,399	$118,940	$121,558	$124,255	$127,032	$129,893	$132,839	$135,874	$139,000	$142,219	$145,536	$148,951	$152,469	$156,093	$159,826	$163,670	$167,630	$171,708
Offsite Employee Effects	—	—	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Secondary Effects	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Visitor Impacts	—	—	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total Public Revenues	$425,405	$0	$113,931	$116,399	$118,940	$121,558	$124,255	$127,032	$129,893	$132,839	$135,874	$139,000	$142,219	$145,536	$148,951	$152,469	$156,093	$159,826	$163,670	$167,630	$171,708
Total Public Costs																						
Construction	$267,061	$425,405	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Operations	—	—	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Offsite Employee Effects	—	—	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Secondary Effects	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Visitor Impacts	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total Public Costs	$267,061	$425,405	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
NET ECONOMIC BENEFITS vs. PUBLIC COSTS	$124,232,629	($425,405)	$113,931	$116,399	$118,940	$121,558	$124,255	$127,032	$129,893	$132,839	$135,874	$139,000	$142,219	$145,536	$148,951	$152,469	$156,093	$159,826	$163,670	$167,630	$171,708
NET PUBLIC REVENUES vs. PUBLIC COSTS	$158,344	($425,405)	$113,931	$116,399	$118,940	$121,558	$124,255	$127,032	$129,893	$132,839	$135,874	$139,000	$142,219	$145,536	$148,951	$152,469	$156,093	$159,826	$163,670	$167,630	$171,708

EXHIBIT 9

Evidence of "But For"

Project 8 – Arena

"But For" analysis for the project will be a supplement to this amendment of the Plan.

Project 9

A "but for" analysis will be generated at the time of amendment for the inclusion of the redevelopment budget for this project.

Project 10

A "but for" analysis will be generated at the time of amendment for the inclusion of the redevelopment budget for this project.

Project 11

A "but for" analysis will be generated at the time of amendment for the inclusion of the redevelopment budget.

EXHIBIT 10

Existing Conditions Study (Blight Study)

Blight Study for the 1200 Main Second Amendment Tax Increment Financing Area

Prepared by the
Economic Development Corporation
of Kansas City, Missouri

{File: \\W2GOLIATH\DOCUMENTS\edc-docs\60\gen\gen\99\00040369.DOC /}

IDENTIFICATION OF PROPERTY

The area examined is illustrated in the attached Map 1 and Map 2. It consists of pieces of fourteen city blocks numbered as follows: 125, 138, 139, 140, 112, 127 141, 128, 142, 129, 130, 143, 136, 137. There are two different geographic areas being included in this amendment, an east area and a west area, as depicted in Map 1 and Map 2. The boundaries for the east area on Map 1 are 12th street on the north, 15th on the south, Baltimore on the west and Locust on the east. The Boundaries for the west properties depicted on Map 2 are 14th on the north, 15th on the south, Central on the west and Baltimore on the east. These areas are in the south edge of the Downtown Loop.

The properties in this area include:

1. Block 125 (NE Corner of 14th and Main) – includes businesses and surface parking lots.

2. Block 138 (NE Corner 15th and Baltimore) – includes the long vacant Empire Theater and parking

3. Block 139 – (NE Corner of 15th and Main) – Offices for State of Missouri and surface parking lots

4. Block 140 – (NE Corner of 15th and Walnut) – Surface parking lots

5. Block 112 (NE Corner of 13th and Grand) – includes Lil Jakes Barbecue, surface parking lots, and some businesses in substandard buildings.

6. Block 127 (NE corner of 14th and Grand) – includes small deteriorating surface lots and some small businesses in substandard buildings.

3. Block 141 (NE Corner of 15th and Grand) – includes the UMB Bank drive thru and a surface parking lot.

4. Block 128 – (NE corner of 14th and McGee) – includes surface parking lots and a parking garage.

5. Block 142 – (NE Corner of 15th and McGee) – includes surface parking lots and some small businesses.

6. Blocks 129, 130, and 143 – (Oak and 13th street) – surface parking lots.

7. Block 136 – (NE Corner of Central and 15th) – Office building

8. Block 137 – (NE Corner of Wyandotte and 15th) - Vacant Office Building

By virtue of the street layout and platting these properties constitute a discernible area and have an influence on each other's value. This blight study will examine these properties as parts of one definable area.

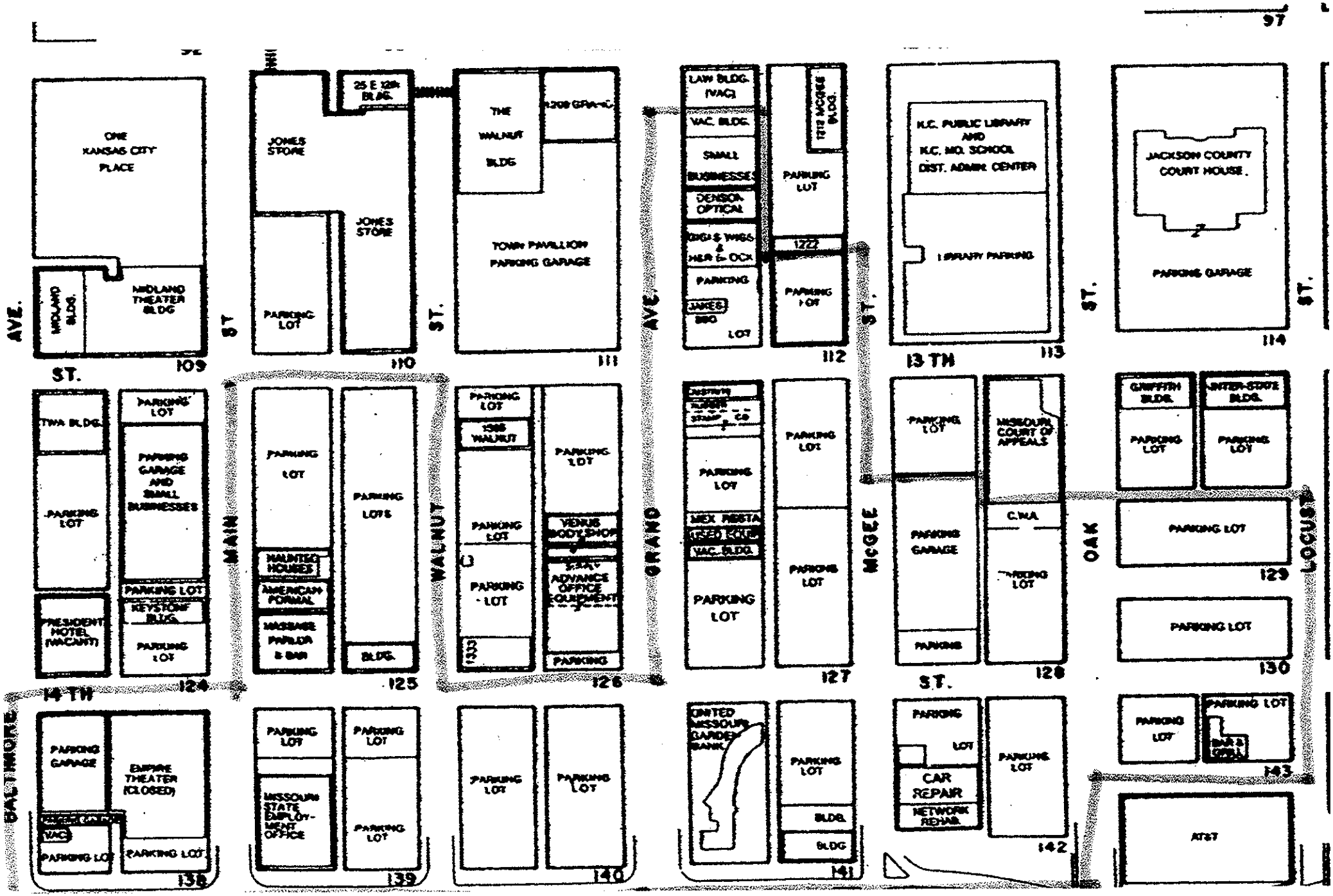
PURPOSE OF REPORT

The purpose of this blight study is to determine whether the specific redevelopment area is blighted within the meaning of Section 99.805 of the Revised Statutes of Missouri. In order for the Tax Increment Financing Commission to recommend the approval of a TIF district there must be a finding of blight for the area. The state TIF statute defines blight as the following:

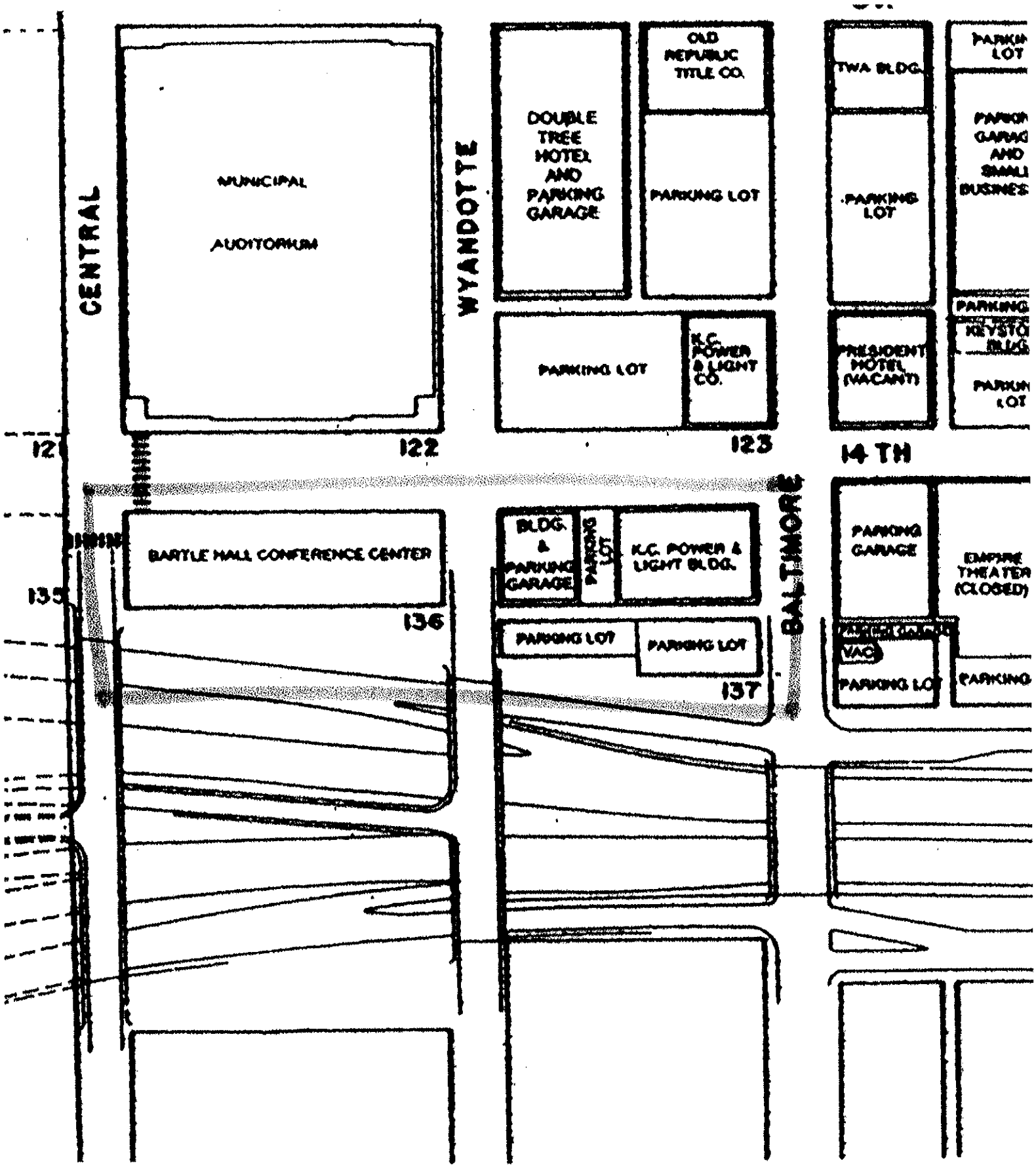
> Blighted Area – An area which, by reason of the predominance of defective or inadequate street layout, unsanitary or unsafe conditions, deterioration of site improvements, improper subdivision or obsolete platting, or the existence of conditions which endanger life or property by fire and other cause,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

This study is intended to examine the area with regard to whether it has a blighting influence for the City of Kansas City as defined in the above statute.

MAP 1


97
ONE KANSAS CITY PLACE
MIDLAND BLDG.
MIDLAND THEATER BLDG
AVE.
ST.
109
JONES STORE
25 E 12th BLDG.
JONES STORE
PARKING LOT
ST.
110
THE WALNUT BLDG
TOWN PAVILION PARKING GARAGE
111
LAW BLDG. (VAC)
VAC. BLDG.
SMALL BUSINESSES
DENSON OPTICAL
PARKING
JAKE'S BBQ
LOT
PARKING LOT
1222
PARKING LOT
112
AVE.
ST.
K.C. PUBLIC LIBRARY AND K.C. MO. SCHOOL DIST. ADMIN. CENTER
LIBRARY PARKING
13 TH
113
ST.
JACKSON COUNTY COURT HOUSE
PARKING GARAGE
114
ST.
TWA BLDG.
PARKING LOT
PARKING LOT
PARKING GARAGE AND SMALL BUSINESSES
PARKING LOT
KEYSTONE BLDG.
PARKING LOT
PRESIDENT HOTEL (VACANT)
124
14 TH
MAIN
PARKING LOT
HAUNTED HOUSES
AMERICAN FORMAL
MASSAGE PARLOR & BAR
PARKING LOTS
BLDG.
125
WALNUT
PARKING LOT
1308 WALNUT
PARKING LOT
PARKING LOT
133
PARKING LOT
VENUS BODY SHOP
ADVANCE OFFICE EQUIPMENT
PARKING
126
GRAND
PARKING LOT
MEX RESTA
USED KILN
VAC. BLDG.
PARKING LOT
PARKING LOT
PARKING LOT
127
McGEE
PARKING LOT
PARKING GARAGE
PARKING
MISSOURI COURT OF APPEALS
C.W.A.
PARKING LOT
128
ST.
GRIFFITH BLDG.
PARKING LOT
INTER-STATE BLDG.
PARKING LOT
PARKING LOT
129
OAK
LOCUST
PARKING LOT
130
BALTIMORE
PARKING GARAGE
VAC.
PARKING LOT
EMPIRE THEATER (CLOSED)
PARKING LOT
138
PARKING LOT
MISSOURI STATE EMPLOYMENT OFFICE
PARKING LOT
PARKING LOT
139
PARKING LOT
PARKING LOT
140
UNITED MISSOURI BANK
PARKING LOT
BLDG.
BLDG.
141
PARKING LOT
CAR REPAIR
NETWORK REHAB.
PARKING LOT
142
PARKING LOT
PARKING LOT
143
AT&T

MAP 2


CENTRAL
MUNICIPAL AUDITORIUM
WYANDOTTE
DOUBLE TREE HOTEL AND PARKING GARAGE
OLD REPUBLIC TITLE CO.
PARKING LOT
TWA BLDG.
PARKING LOT
PARKING LOT
K.C. POWER & LIGHT CO.
PRESIDENT HOTEL (VACANT)
122
123
14 TH
BARTLE HALL CONFERENCE CENTER
BLDG. & PARKING GARAGE
PARKING LOT
K.C. POWER & LIGHT BLDG.
BALTIMORE
PARKING GARAGE
EMPIRE THEATER (CLOSED)
136
PARKING LOT
PARKING LOT
137
PARKING LOT

FINDINGS

An examination of parcels defined above provides ample evidence that a situation of blight exists, as defined by the TIF statute.

Existence of insanitary or unsafe conditions

There are many examples of unsanitary or unsafe conditions in the area. These include unsafe pavement that has deteriorated and poses a hazard, illegal dumping of trash, broken building materials that are unsafe, and debris that is strewn about the area. These conditions are insanitary and conducive to vermin and other disease carrying animals. Furthermore, absent redevelopment, there is every reason to believe the insanitary and unsafe conditions will continue. The photographs on the following pages document numerous instances of unsanitary and unsafe conditions.

Pavement Deterioration on Surface Parking Lot—Block#129

Exposed Electrical Conduit—Block #112

Building Deterioration and Unsafe Refuse—Block #112

Graffiti and Broken Windows--Block #138

Deterioration of Site Improvements

The aging of the area has resulted in some serious deterioration of site improvements. This includes the previously mentioned deterioration of pavement and parking areas. There is also deterioration of the landscaping improvements in the area. There are many vacant structures in the defined area and the landscaping around these buildings seems to be in the worst condition. The pictures attached illustrate examples of the deterioration of site improvements. The predominance of surface parking lots in the area are not compliant with the Kansas City, Missouri parking standards set for the Central Business District by Kansas City Code Section 52-90. through Section 52-110.

Failure of Parking Lot Barriers—Block #130

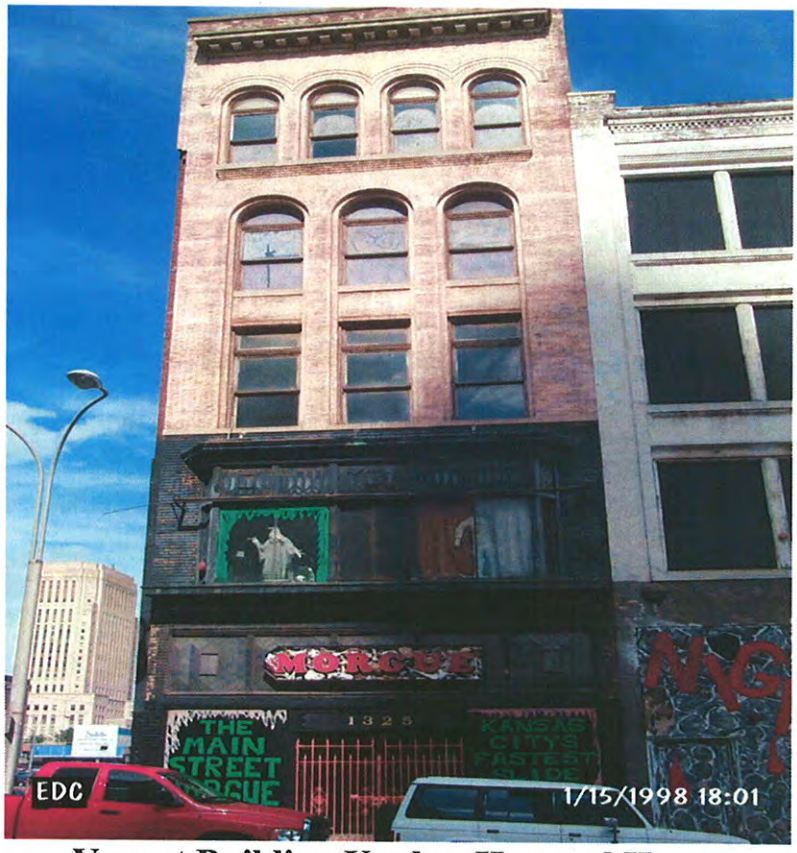
Safety Railing System Failure—Block #143

Safety Railing System Failure—Block #142

Retaining Wall Failure—Block #112

Conditions which endanger life or property by fire and other cause

The area has a high vacancy rate include a large building used annually as a Haunted House. The presence of large poorly maintained buildings increases risk of fire or other damage to the vacant structures and to other structures in the area.



Vacant Building Used as Haunted House

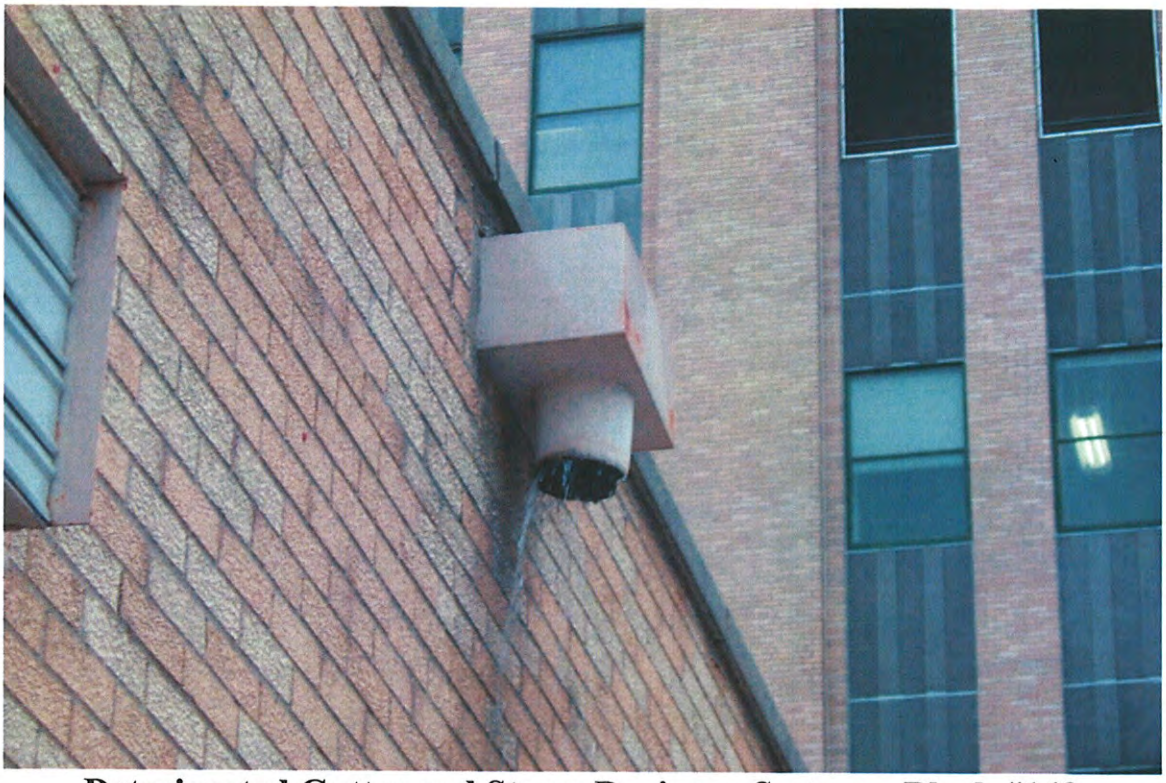
Rear of Vacant Buildings—Block #112

Tree Growing From Roof of The Empire Theater—Block #138

Deteriorated Gutter and Storm Drainage System—Block #112

Front of Vacant Buildings—Block #112

Vacant Empire Theater Building—Block #138



Deteriorated Gutter and Storm Drainage System—Block #142

Deteriorated Gutter and Storm Drainage System—Block #142

BLIGHT STUDY – VOLUME I

DOWNTOWN LOOP
PIEA REDEVELOPMENT AREA
11TH TO 14TH STREETS AND BALTIMORE TO McGEE
KANSAS CITY, MISSOURI

Prepared for:

ALFRED J. FIGULY, EXECUTIVE DIRECTOR
PLANNED INDUSTRIAL EXPANSION AUTHORITY
OF KANSAS CITY, MISSOURI
20 EAST 5TH STREET, SUITE 200
KANSAS CITY, MO 64106

DATE OF REVISED REPORT: FEBRUARY 16, 2004

ORIGINAL EFFECTIVE DATE: JULY 5, 2003

FILE NO. 0303185

Prepared by:

APPRAISAL & CONSULTING SERVICES GROUP
Thomas H. Slack, MAI

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Phone: (913) 385-9600
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Main Street, Looking North From 13th

13th Street, Looking West From Grand

Grand Avenue, Looking North From 14th

Walnut Street, looking north from 14th

Main Street, Looking South From Town Pavilion

12th Street, Looking West from Walnut

12th Street, Looking East From Walnut

11th Street (Petticoat), Looking East From Walnut

Walnut Street, Looking South From Petticoat Lane

Grand Avenue, Looking South From 11th Street

13th Street, Looking West From Walnut

Baltimore Street, Looking North From 13th Street

McGee Street, Looking South From 11th Street

12th Street, Looking West From McGee

McGee Street, Looking North From 12th

ALLEY BETWEEN JONES STORE BUILDING AND CHAMBERS LOFTS

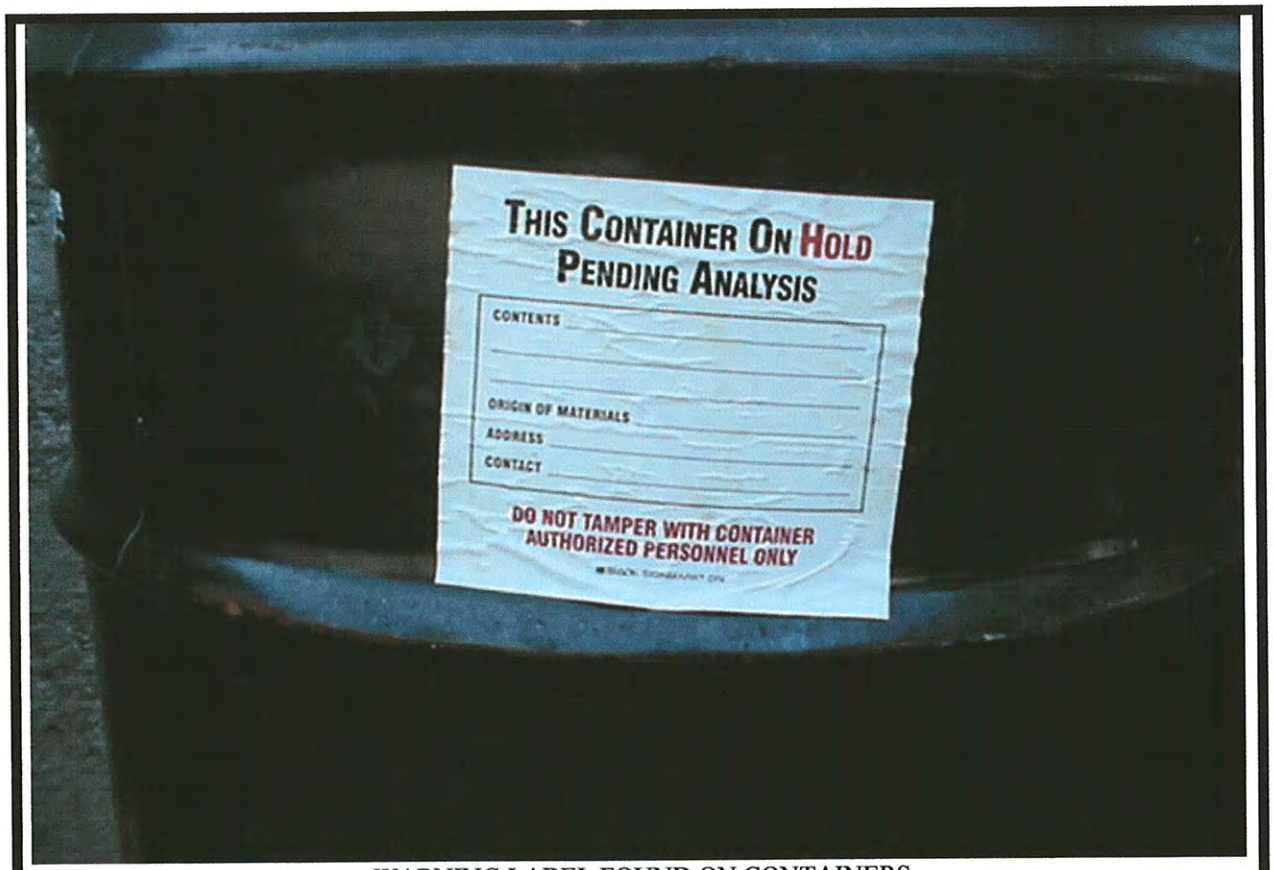
IMPASSABLE ALLEY IN BLOCK 126

Insanitary/Unsafe Conditions

As summarized in the Property Description, a number of buildings in the redevelopment area are insanitary or unsafe. The entire Jones Store property is presently in an insanitary and unsafe condition. The Jones Store building has a history of asbestos contaminating materials that, to my knowledge, have not ever been removed. Broken glass, trash and damaged awnings were noted around the exterior of the Jones Store building. The interior was inaccessible, but it is reported to have numerous insanitary and unsafe conditions, as detailed in the property description preceding. These conditions are insanitary and conducive to vermin and other disease carrying animals. Furthermore, absent redevelopment, there is every reason to believe the insanitary and unsafe conditions will continue.

Exposed wiring, broken windows and trash are common in the 1300 block of Grand. Most of the buildings between 1316 and 1334 Grand have unsafe features on the street level. The vacant bank drive-through in the 1300 block of Walnut had a number of drums that appeared to be oil drums, with signs warning of potential contamination. The Law building and several other buildings on the Grand Avenue side of Block 112 were in deteriorating condition to the point that they evidenced insanitary and unsafe conditions. Photographs on the following pages demonstrate additional insanitary or unsafe conditions in the redevelopment area.

POSSIBLE CONTAMINATED CONTAINERS AT 14TH AND WALNUT



WARNING LABEL FOUND ON CONTAINERS

EXPOSED WIRING IN ALLEY IN 1300 BLOCK OF GRAND

BROKEN WINDOWS AND INSANITARY CONDITIONS IN 1300 BLOCK OF GRAND

TRASH AND INSANITARY CONDITIONS IN 1300 BLOCK OF GRAND

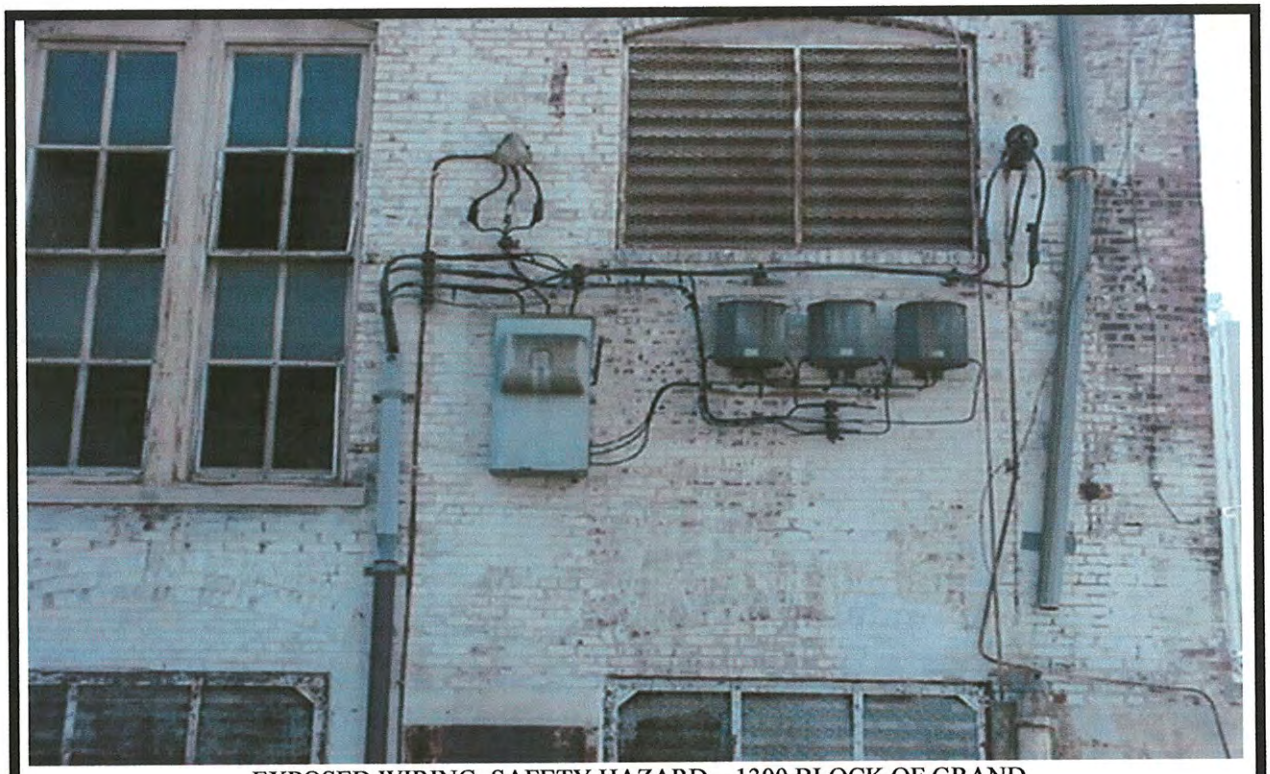
JONES STORE ENTRANCE – BROKEN GLASS - PLYWOOD

DETERIORATING SIDEWALK – UNSAFE CONDITIONS IN 1100 BLOCK OF WALNUT

BROKEN GLASS AND DIRTY, INSANITARY CONDITIONS – 1100 BLOCK OF WALNUT

EXPOSED WIRING, SAFETY HAZARDS – 1100 BLOCK OF MCGEE

DETERIORATING BUILDING EXTERIOR – 1100 BLOCK OF MCGEE



EXPOSED WIRING, SAFETY HAZARD – 1300 BLOCK OF GRAND

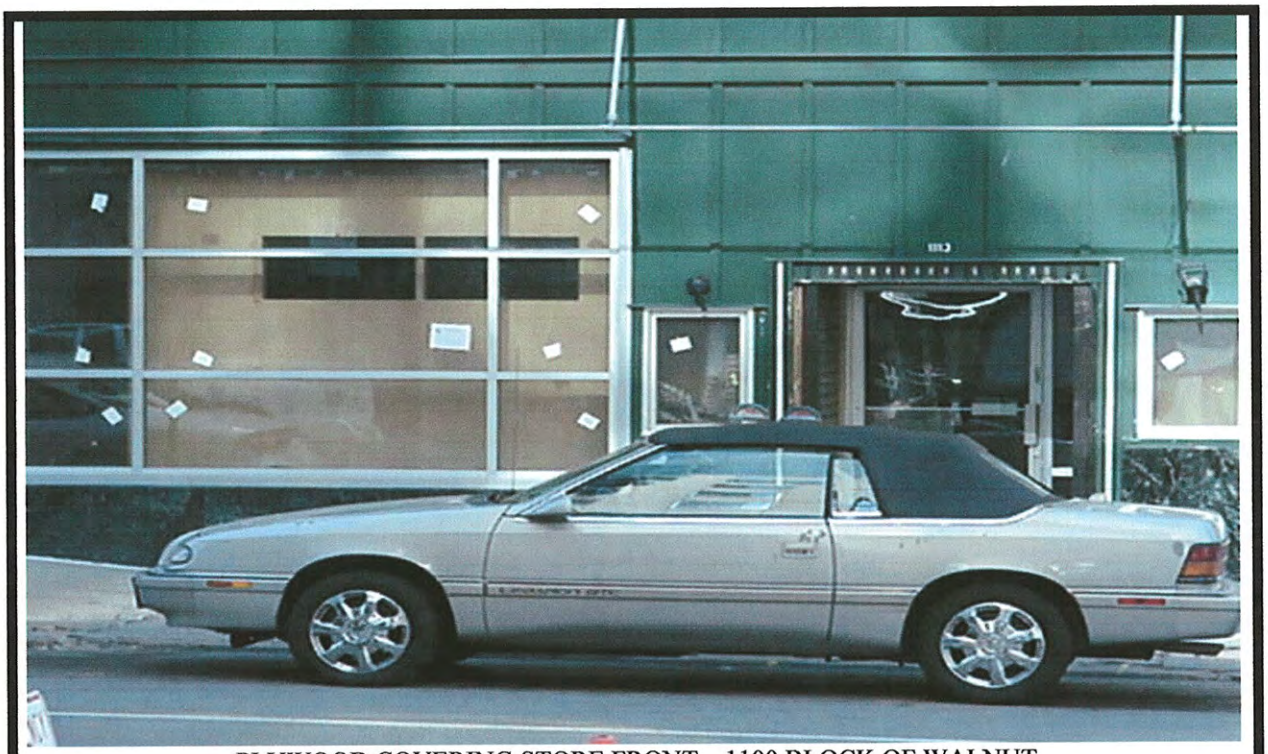
Deterioration of Site Improvements

The photographs that follow and the preceding property description provide both a graphic and narrative analysis of the condition and level of deterioration of site improvements. At least a dozen buildings are vacant at this time. As noted, over 71% of the structures are at least 65-years-old. Many require expensive structural and interior renovations in order to be habitable. Asphalt paved surface parking lots typically deteriorate relatively rapidly, but the cost of renovations is minor.

Many of the improved properties within the project area have experienced significant deterioration of site improvements in recent years. In addition to the Jones Store, the former Professional building at 1103 Grand, the 1111 Grand building, the National Garage building at 11th and McGee, the Palace building, the 1305 Walnut building, the Mercantile Bank building and a number of buildings in the 1300 block of Grand are vacant. Many have been vacant for a number of years, some for more than a decade. Vacant buildings that do not receive periodic maintenance will deteriorate. For this type of property, the deterioration is predominantly physical.

For the One Kansas City Place office tower, Town Pavilion and 1201 Walnut, depreciation or deterioration is functional and external. All of the surrounding property owners report functional obsolescence with all of the building improvements because they are undersupplied with parking spaces. Furthermore, both the central business district and the entire metropolitan area are oversupplied with office buildings and undersupplied with demand, exacerbating the negative impact of any deterioration.

The Jones Store property has been vacant for five years and suffers from constant deterioration of site improvements, based on my physical observation and according to reports published by entities retained by the ownership group. The reader's attention is again directed to the Property Description section of this report.



PLYWOOD COVERING STORE FRONT – 1100 BLOCK OF WALNUT

HOLES IN BLOCK WALLS – 1100 BLOCK OF MCGEE

PARKING LOT WITH PATCHED ASPHALT IN DISREPAIR – 1100 BLOCK OF GRAND

VACANT, ABANDONED BUILDING – EAST 11TH STREET

HOLE IN PAVING AND DETERIORATING RETAINING WALL – 1200 BLOCK OF MCGEE

FENCED, VACANT, DETERIORATING BUILDING – 1200 BLOCK OF GRAND

DETERIORATING BUILDING – 1200 BLOCK OF GRAND

WEEDS GROWING THROUGH DETERIORATING ASPHALT – 1300 BLOCK OF GRAND

DETERIORATING BUILDINGS – 1300 BLOCK OF GRAND

JONES STORE BUILDING AWNING – 1200 BLOCK OF WALNUT

TEMPORARY FENCE TO PROTECT DETERIORATING BUILDING - 1300 BLOCK OF GRAND

DETERIORATING RETAINING WALL AND ASPHALT PAVING – 1300 BLOCK OF WALNUT

DETERIORATING CONCRETE/DISCOLORED AND STAINED ENTRY – 1300 BLOCK OF WALNUT

DETERIORATING CONCRETE WALLS – 1300 BLOCK OF WALNUT

DETERIORATING SIDEWALK – 1300 BLOCK OF WALNUT

DEBRIS AND DETERIORATING SIDEWALK – 1200 BLOCK OF MAIN

PATCHED INTERIOR WALLS – 1200 BLOCK OF MAIN

RUSTING AND SPAWLING CONCRETE, DETERIORATED WINDOWS – 1100 BLOCK WALNUT

DETERIORATING CONCRETE – 1100 BLOCK OF WALNUT

SIGN ON CLOSED STOREFRONT – PETTICOAT LANE

RUSTING GARAGE AND CONCRETE AWNING – 1100 BLOCK OF GRAND

Improper/Obsolete Platting

In Block 110, the Jones Store building consists of ten separate tax parcels, while the 1219 Main surface parking lot is comprised of six separate tax parcels. In other words, the portion of Block 110 that is included in the project area consists of one building and one surface parking lot, but is platted as 16 separate parcels. This is clearly both improper and obsolete. Block 110 should be replatted and will require replatting in order to redevelop the site.

In the event of redevelopment of all or part of Block 126 or Block 112, replatting is also a virtual certainty. Many of the existing platted lots contain less than 6,000 square feet of land area. This obsolete platting reflects building construction from the turn-of-the-century and it is obsolete today. Furthermore, as noted repeatedly previously, demand for structured parking serving existing buildings continues to grow. A consolidated, large platted area is required for an efficient garage. Blocks 94 and 95 are also likely to require replatting in conjunction with redevelopment.

Conditions Endangering Life or Property

The reader's attention is again directed to the analysis of insanitary and unsafe conditions, as well as the general property description. The photographs provide clear evidence of conditions endangering life or property. In the absence of an occupant for over five years, a history of vandalism and fires being set in the property, broken glass, mold and decaying wood floors, as well as rusting structural beams, the Jones Store endangers both life and property. Other notable buildings that have been vacant for a number of years and show similar dangerous propensities include the Law building, the National Garage, etc. Furthermore, trespassers and vandals endanger both life and property.

Area Retards the Provision of Housing Accommodations

As shown by surrounding development patterns, as well as the recent history of the property, the proposed redevelopment area retards the provision of housing accommodations. New housing in the central business district has been a clear goal of the administration of Kansas City, Missouri for several years. Numerous examples of success in providing housing accommodations have been noted and pent-up demand for housing accommodations has existed in recent years. There has been virtually no new housing within the redevelopment area, however. The numerous problems discussed above and the Jones Store building, in particular, serves as a roadblock between newer buildings and central business district activity between 9th and 12th Streets and those potential residential redevelopment sites south of the Jones Store building. The Chambers building at the northeast corner of the intersection has been renovated and converted to the Chambers Lofts. The adjacent Jones Store building serves as an impediment to leasing or selling these loft units, as well as impeding development of neighboring properties or other portions of Block 110.

Constitutes an Economic or Social Liability

In my opinion, the combination of the various factors noted above constitute an economic or social liability in the property's present condition and use. Based on county assessment records, the aggregate assessed value of all of the properties in the redevelopment area was $94,802,281 in 1998. By 2002, the assessed value had declined to $75,226,597, a 21% decline. A summary of the assessed values is included in **Addendum D**. The dramatic decline in appraised value of the property for tax purposes indicates the inability of the property to generate tax revenues that could be used for the benefit of the citizens of Kansas City. The arson fires and police calls to vacant structures cause an additional cost to the citizenry in terms of police and fire protection time and money.

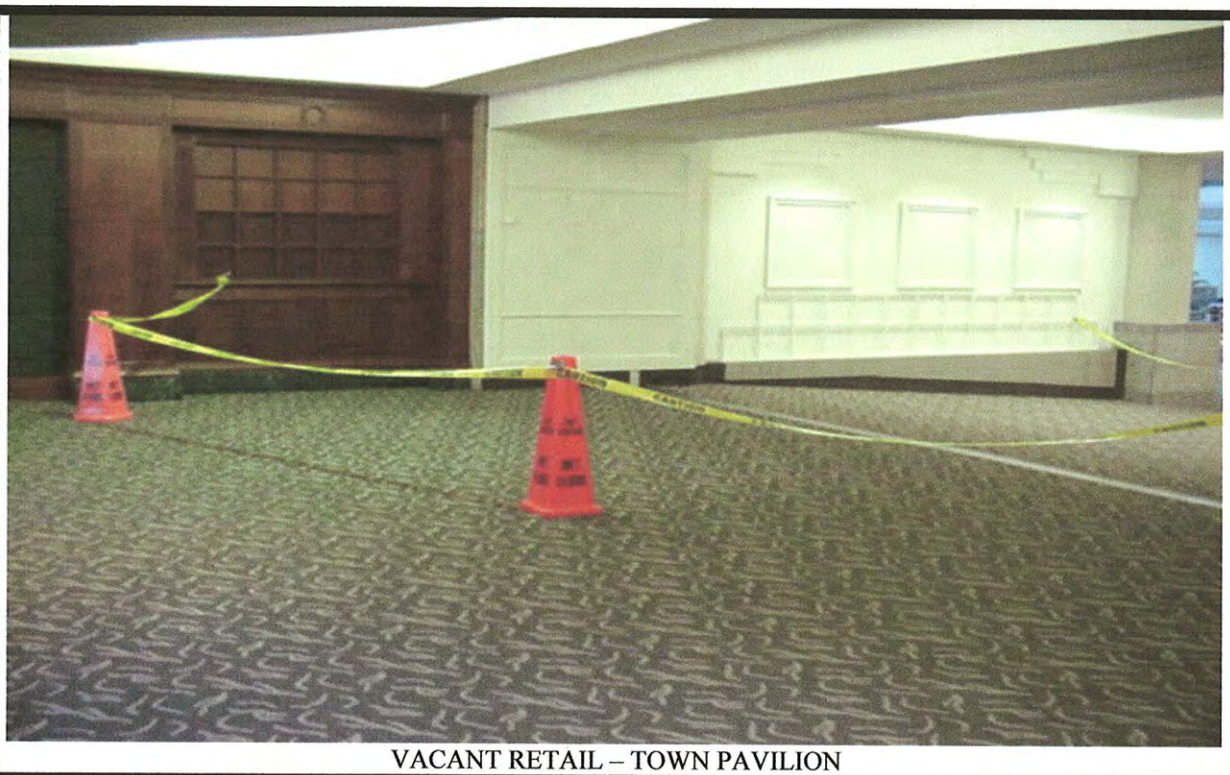
As noted, 75% of the buildings in the redevelopment area are over 65-years-old. Virtually all of these buildings suffer from inability to pay reasonable taxes. More than one dozen vacant buildings require more police attention and attract more crime than do parking lots, much less redeveloped, functional buildings. Thus, the vast majority of the structures individually constitute an economic or social liability. In the aggregate, they clearly constitute an economic or social liability.

The physical condition of the Jones Store property and the excessive redevelopment costs in bringing the property to a habitable and usable commercial condition, comprises a substantial economic impediment to development. Furthermore, the city has determined the 12th and Main intersection is the 100% block of the central business district. A large, vacant, functionally obsolete structure constitutes both an economic and a social liability for the entire central business district. It further inhibits the ability to develop surrounding properties, as evidenced by the fact that 1219 Main continues to be a surface parking lot. Thus, that property also serves as an economic and social liability.

The absence of parking and the presence of at least a dozen unused buildings in the Planning Area serve as an impediment to developing many of the adjacent properties and constitute an economic liability. For example, as noted repeatedly, One Kansas City Place will experience a dramatic decline in occupancy over the next few months. This will reduce earnings and sale tax revenues in the central business district and will constitute an additional economic and social liability. The Town Pavilion and 1201 Walnut also suffer from economic obsolescence, as does City Center Square.

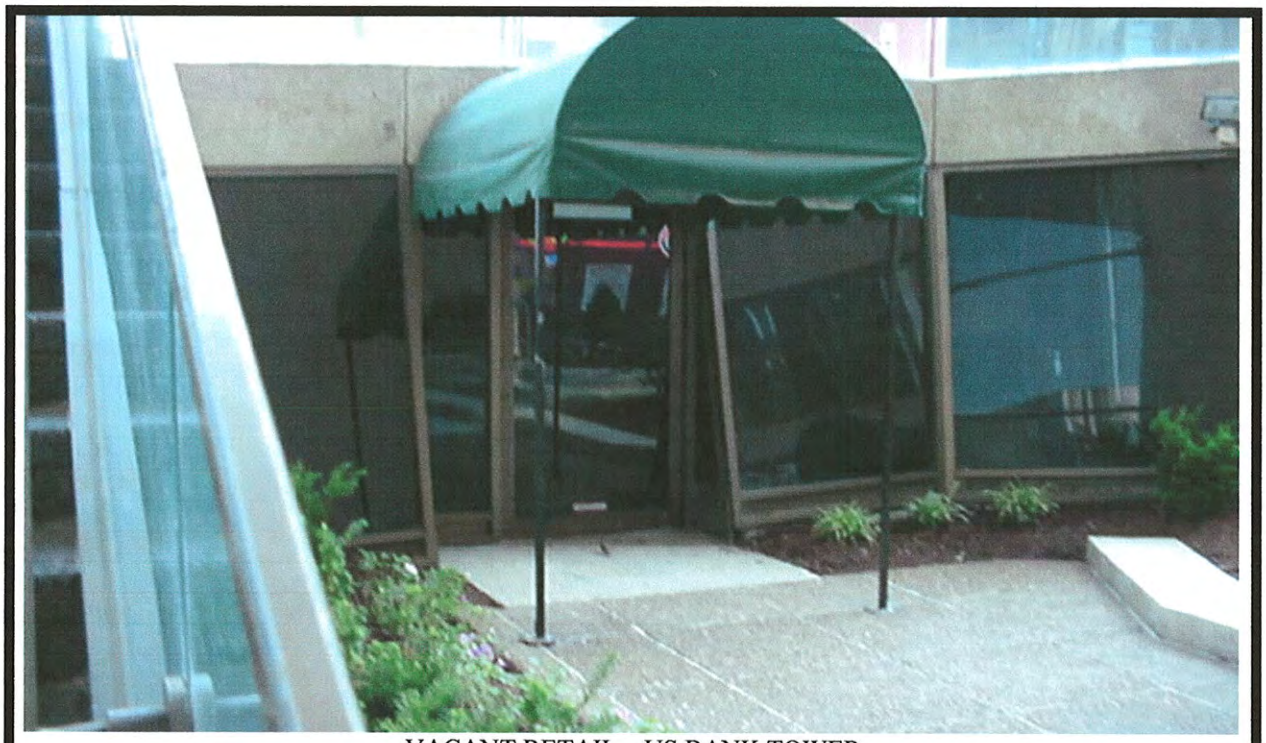
One Kansas City Place is obviously in a period of transformation. At the present time, it is 12% vacant, a rate that is a significant increase from five years ago. In contrast to the three largest surrounding office towers, however, its occupancy is relatively high. According to the *Kansas City Business Journal*, City Center Square's occupancy is presently 73%, down from 80% two years ago. Occupancies in the AT&T Town Pavilion and 1201 Walnut Tower are 59% and 72%, respectively. A representative of the owner of 1201 Walnut stated that occupancy rates were never below 5% during the first ten years of the building's life, from 1991 to 2001. Unlike the other buildings, One Kansas City Place is anchored by the law firm of Shook, Hardy & Bacon, as well as the Federal Reserve Bank,

both of which are in the process of building new buildings in the Crown Center area. Both have leases that expire in the near future. The owners of One Kansas City Place have received notice from Shook, Hardy that it intends to vacate all of its space. Therefore, one would anticipate a vacancy rate in excess of 50% by February 2004.



VACANT RETAIL – TOWN PAVILION

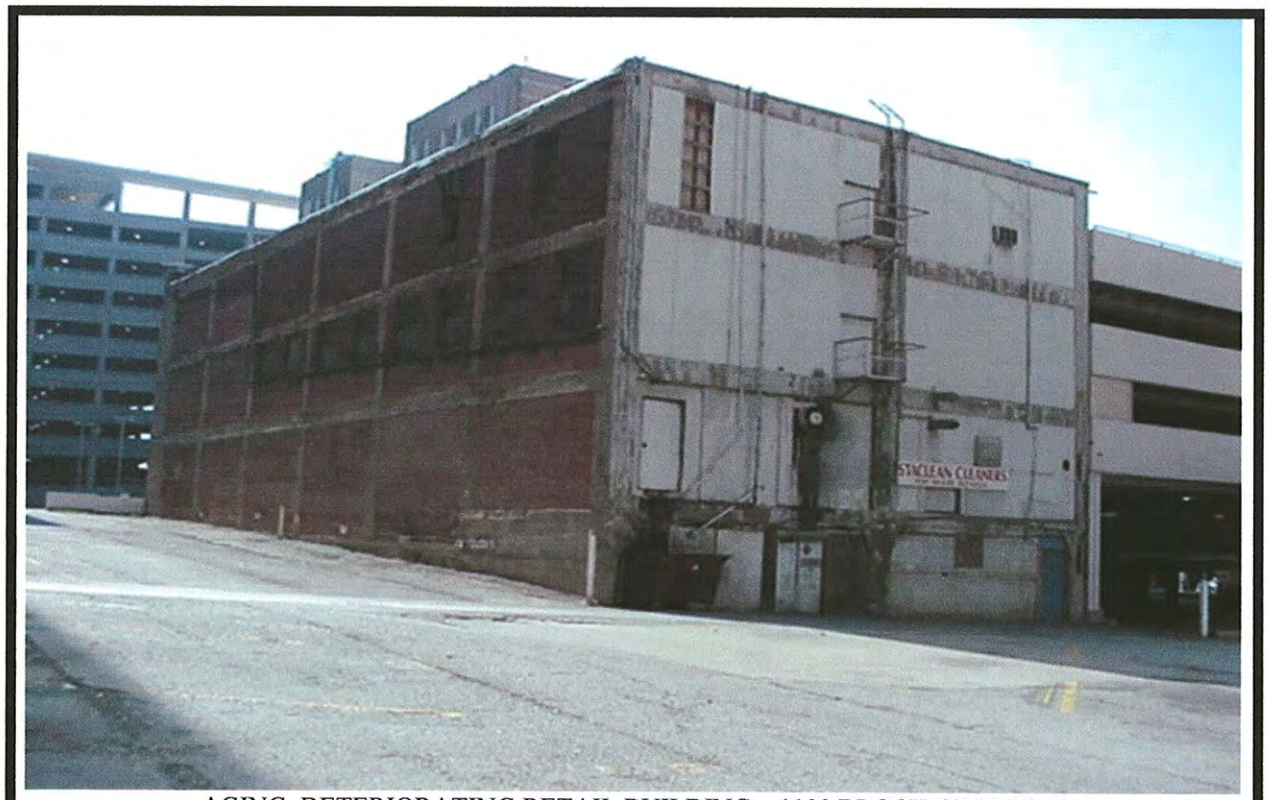
VACANT RETAIL – TOWN PAVILION



VACANT RETAIL – US BANK TOWER

CLOSED STORE FRONT – BRYANT BUILDING

VACANT BUILDING – 1100 BLOCK OF WALNUT



AGING, DETERIORATING RETAIL BUILDING – 1100 BLOCK OF MCGEE

VACANT GARAGE AND VACANT STORE FRONTS – 1100 BLOCK OF MCGEE

DETERIORATING BUILDING – 1200 BLOCK OF GRAND

FENCED, VACANT, DETERIORATING BUILDING – 1200 BLOCK OF GRAND

VACANT, BOARDED UP BUILDING – 1300 BLOCK OF GRAND

VACANT, BOARDED UP BUILDING – 1300 BLOCK OF GRAND

VACANT JONES STORE BUILDING – 1200 MAIN

VACANT, RENOVATED OFFICE BUILDING – 1300 BLOCK OF WALNUT

VACANT STORE FRONTS – 12TH STREET AT GRAND

VACANT STORE FRONT – 13TH AND MAIN

VACANT STORE FRONT – 13TH AND BALTIMORE

BALTIMORE STREET UNFINISHED RETAIL – ONE KANSAS CITY PLACE

VACANT 4TH FLOOR – ONE KANSAS CITY PLACE

VACANT 6TH FLOOR – ONE KANSAS CITY PLACE

Menace to the Public Health, Safety, Morals or Welfare

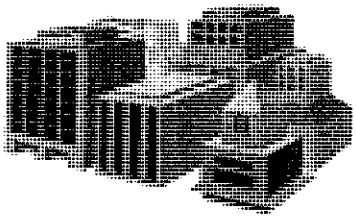
The conditions described above in the Jones Store, the Law building, the row of buildings in the 1300 block of Grand, the National Garage, the two vacant buildings at 11th and Grand and the potentially contaminated Mercantile drive-up bank constitute an obvious menace to the public health, safety, morals and welfare. The insanitary conditions create a potential for disease and the unsafe conditions are a menace to the safety of the citizens. Finally, the dramatic reduction in property taxes during this decade additionally adversely affects the public welfare.

CONCLUSIONS

It is my opinion the property area studied constitutes a blighted area within the definition of Chapter 100, the Industrial Development chapter of the Revised Statutes of Missouri, including R.S. Mo. Sec. 100.310(2). The area has a predominance of defective or inadequate street layout, insanitary or unsafe conditions, deterioration of site improvements, improper subdivision or obsolete platting, and conditions that endanger life or property. In my judgment, 75% of the tax parcels exhibit severe to moderate blight in terms of age, while 91% exhibit at least moderate obsolescence. Furthermore, any projects designed to clear and redevelop the most physically deteriorated areas will require changes to alleys and street layout, as well as correction of improper subdivision and/or obsolete platting. These factors impact 70% to 85% of the parcels. Approximately 90% also exhibit some portion of inadequate or outmoded design and 80% exhibit significant deterioration. Most of the properties exhibiting age or deterioration of improvements have moderate to severe sanitary or safety blight considerations and nearly 100% display some inability to pay reasonable taxes, which is considered an economic or social liability. These conditions exist, despite the fact that, based on my research, over one-half the properties have been the subject of previous blight findings in conjunction with planned redevelopment.

Much of the project area suffers from a dramatic decline in physical condition caused by lack of use over the past few years, coupled with damage caused by transients, vandals and weather. The site improvements continue to deteriorate and conditions are obviously insanitary and unsafe, conditions which endanger both life and property, retarding the provision of housing accommodations and constituting both an economic and a social liability, and, in some situations, creating a menace to the public health, safety and welfare. Furthermore, the estimated cost to renovate many of the properties to function as quality commercial structures, which would add to the revitalization of the CBD, are in excess of their market value upon completion. These deteriorated properties adversely impact surrounding buildings. Therefore, the properties comprising the project area are intertwined and result in the overall area being blighted within both the statutory definitions and judicial interpretations of the term. In my opinion, the proposed redevelopment area is "blighted" under Chapter 100.

APPRAISAL & CONSULTING SERVICES GROUP



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THOMAS H. SLACK, MAI, J.D.
Qualifications & Experience

Certifications

I. State of Kansas Certified General Real Property Appraiser (G-250)
II. State of Missouri Certified General Real Estate Appraiser (RA 001977)
III. State of Iowa General Real Property Appraiser (CG01905)

Employment History

1996-Present	President, Thomas H. Slack Appraisal Company, Inc.; Principal, Appraisal & Consulting Services Group
1983-1996	Fee Appraiser, Nunnink & Associates, Inc., Kansas City
1981-1983	Vice President, Mid-America Mortgage Consultants, Ltd., Kansas City
1979-1981	Tax Accountant, Arthur Young & Company, Kansas City

Education

I. University of Kansas, Bachelor of Science in Business Administration (1972-1976)
II. University of Kansas, School of Law, *Juris Doctorate* (1976-1979)

Specialized Appraisal Related Experience

I. **Litigation Valuation** - *Ad valorem* tax, bankruptcy, eminent domain, construction defects, environmental contamination, probate, divorce, impact studies and zoning.

II. **Local, Regional and National Scope Valuation Assignments, Market Valuation and Feasibility Analysis, Fee Simple, Lease by Lease and Fair Rental Analysis**

   A. **Retail** - Regional Malls, Community Centers, Outlet Malls, Power Centers, Neighborhood Centers, Discount Stores, Convenience Stores, Service Stations, Restaurants

   B. **Industrial** - Manufacturing Plants, Distribution Centers, Industrial/Business Parks

   C. **Residential** - Adult Congregate Care Facilities, Subdivision Analysis, Single Family, Nursing Homes

   D. **Apartments** - High Rise, Mid-Rise, Garden, Retirement, HUD

   E. **Office** - Regional and National Corporate Headquarters, Single and Multiple Tenant, Medical Offices

   F. **Specialized Properties** - Hotels, Business Appraisals, Blight Studies, Tax Abatement Consultation, Impact Studies (Landfills, Convenience Stores, Retail, Cellular Monopoles, etc.), Golf Courses, Merchandise Marts, Hospitals

III. **Expert Witness**:
District/Circuit Courts: Jackson, Greene and Clay Counties in Missouri; Johnson County, Kansas; Linn and Delaware Counties in Iowa; Cook County, Illinois
Federal Bankruptcy Court: Kansas City, Missouri; Kansas City and Topeka, Kansas
Board of Tax Appeals for the State of Kansas
State Tax Commission for the State of Missouri

Affiliations

I. **Appraisal**
A. Member, The Appraisal Institute (MAI) No. 7785
B. Kansas City Chapter No. 20 of The Appraisal Institute
C. Affiliate, The Appraisal and Consulting Services Group
D. Appraisal Institute Ethics and Counseling Panel Volunteer
E. Director, Kansas City Chapter, American Institute of Real Estate Appraisers (1990-1991)
F. Director, Kansas City Chapter, Appraisal Institute (1992-1993)
G. Chairman, Professional Practice Committee, Kansas City Chapter, Appraisal Institute (2001)

II. **Legal**
A. Admitted to Kansas Bar, 1979
B. Admitted to Missouri Bar, 1980
C. Member, Kansas City Bar Association

III. **Accounting**
Awarded Missouri CPA Certificate 1984

IV. **Social and Other**
A. Chairman of the Board, Midwest Ear Institute (1993-1995)
B. Director, Midwest Ear Institute (1993-1999)
C. Director, United Cerebral Palsy Association of Kansas City (1989-1994)
D. Kansas University Alumni Association and Williams Education Fund
E. Sigma Alpha Epsilon Fraternity - Kansas Alpha
F. Director, Midwest Bancorporation, Inc., Hays, Kansas (1988-1994)

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January 20, 2004

Alfred J. Figuly, Executive Director
PLANNED INDUSTRIAL EXPANSION AUTHORITY
OF KANSAS CITY, MISSOURI
20 East 5th Street, Suite 200
Kansas City, MO 64106

RE:	**DOWNTOWN LOOP PIEA AREA** **11th to 14th Streets and Baltimore to McGee** **Kansas City, Missouri** **Our File No. 0303185**

Dear Mr. Figuly:

In accordance with your request, I have personally inspected the properties located between 11th to 14th Streets and Baltimore to McGee, in Kansas City, Jackson County, Missouri. Neither a current title report, nor a complete survey were available. Consequently, I have estimated the land area, building areas and individual legal descriptions based on information obtained from the Jackson County Assessor's office. The property has a wide diversity of ownership interests, consisting of a total of 64 tax parcels, with approximately 36 different owners.

To summarize, the property comprises approximately 9.5 blocks in the heart of the central business district of Kansas City, Missouri. Included are Blocks 92, 93, 94 and 95, which are located between 11th and 12th Street, Main and McGee. It also includes all of three blocks and the northern portion of a fourth block located between 12th and 13th Streets, from Baltimore to McGee. These are Blocks 109, 110, 111 and the northern portion of Block 112. The two northernmost tracts are in Block 78, on the north side of 11th, between Grand and McGee. Finally, the PIEA area analyzed includes Block 126, which is located between 13th and 14th Streets, Walnut to Grand. Based on county assessment information, there are 35 different building structures, eight of which are less than 40 years old and 25 of which are over 65 years old.

This property comprises the proposed Downtown Loop Planned Industrial Expansion Authority (PIEA) area. An inspection was made in conjunction with a determination of whether or not the area is blighted, as defined in Section 100.310(2) of the Revised Statutes of Missouri. Chapter 100 is the "Industrial Development" chapter that includes enabling legislation for the PIEA.

The term "blight" is a statutorily specifically defined term, which does not necessarily coincide with the generic or common definition of the word. Under Chapter 100, the term "blighted area" is defined as follows:

> "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 that endanger life or property by fire and other causes, or any combination of such factors, retards the provisions of housing accommodations or constitutes an economic or social liability or menace to the public health, safety, morals or welfare in its present condition and use."

In contrast, *Webster's Dictionary* defines the word "blight" as:

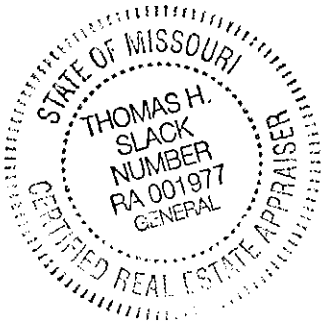
> "Something that frustrates plans or hopes; something that impairs or destroys" and defines urban blight as "an impaired condition."

Thus, the determination of blight under the statutory definition has no direct correlation to the dictionary definition.

As explained in detail in the report to follow, it is my opinion that the area is blighted within the definition of the statutes referenced above, as of **July 5, 2003**. The effective date is the date on which 61 of the tax parcels comprising the property were inspected for purposes of this study, with three parcels inspected January 19, 2004. The report is comprised of two volumes. Volume I contains my analysis and conclusions. Volume II contains property data and individual blight analyses for each of the 64 parcels in the redevelopment area.

Respectfully submitted,

APPRAISAL & CONSULTING SERVICES GROUP



Thomas H. Slack, MAI
State of Missouri Certified General
Real Estate Appraiser (RA 001977)

THS/sh

TABLE OF CONTENTS

Introduction

The format of this report is structured to focus upon the operative issues affecting the conclusions of the analyst on each of those issues. For this reason, the body of the report contains applicable analyses and conclusions, while addenda have been utilized for factual and supporting documentation. To properly understand this report and the conclusions reached, the readers should familiarize themselves with the contents of the addenda, as they are considered to provide some of the supporting documentation to the conclusions reached.

ADDENDA

CERTIFICATION

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

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 interest in the property that is the subject of this analysis and no personal interest or bias 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 value, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this report.

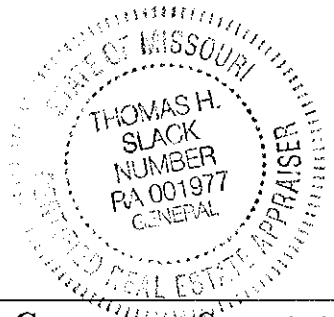
7. My analyses, opinions and conclusions were developed and this report has been prepared in conformity with the requirements of the Uniform Standards of Professional Appraisal Practice (USPAP). I have not relied upon any departure rule of USPAP.

8. My analyses, opinions and conclusions were developed and this report has been prepared in conformity with the requirements of the Code of Professional Ethics and the 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 have made a personal inspection of the property analyzed on July 5, 2003.

11. No one provided significant professional assistance to the person signing this report.



THOMAS H. SLACK, MAI
State of Missouri Certified General
Real Estate Appraiser (RA 001977)

ASSUMPTIONS AND LIMITING CONDITIONS

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

1. Title to the property is assumed to be good and marketable and the legal description correct.

2. All sketches in this report are intended to be visual aids and should not be construed as surveys or engineering reports.

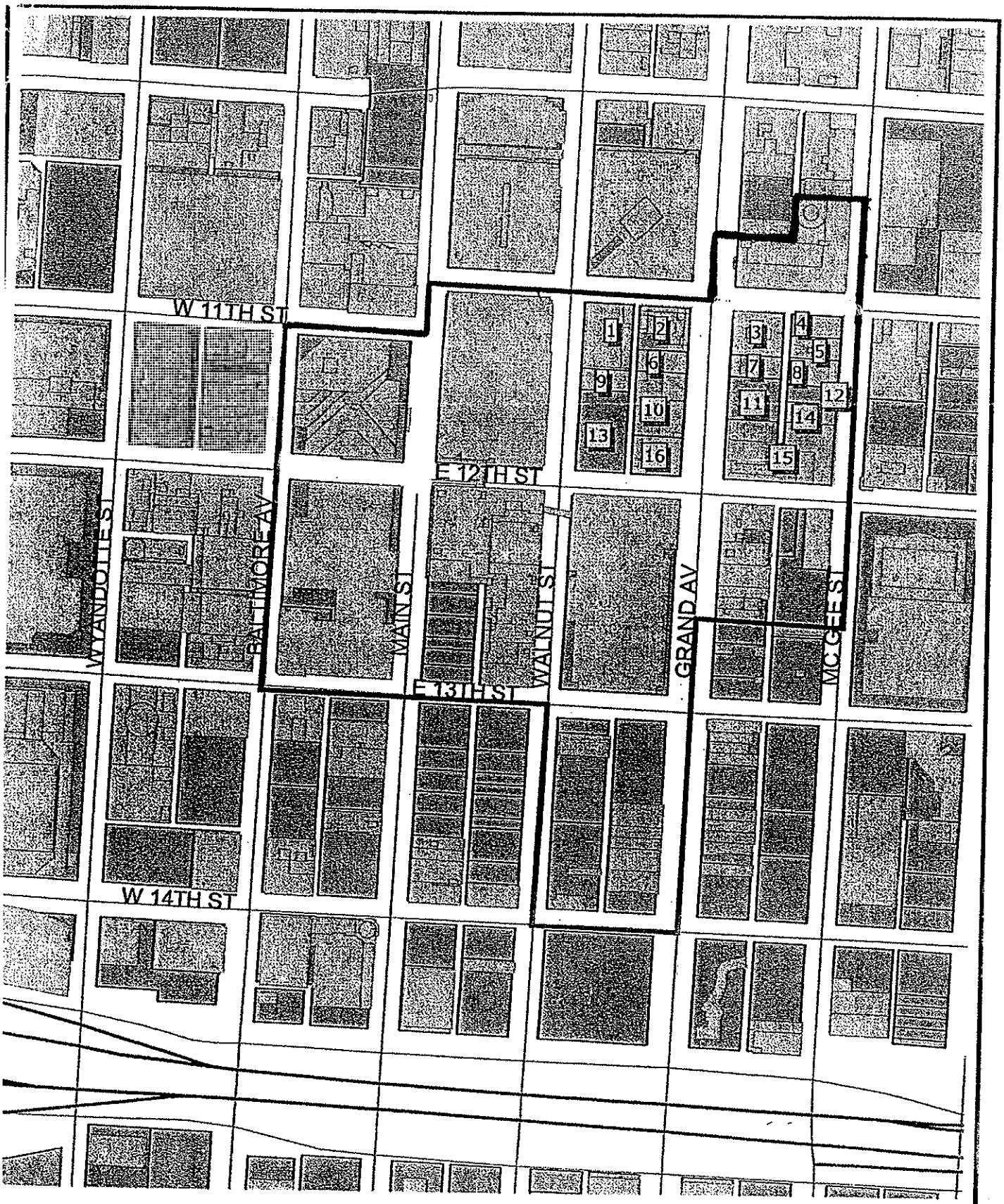
3. All information in this analysis has been obtained from reliable sources. I cannot, however, guarantee or be responsible for the accuracy of information furnished by others.

4. Possession of this report or a copy thereof does not imply the right of publication or use for any purpose by any other than the addressee without my written consent.

5. I am not required to give testimony or attendance in court by reason of this analysis, unless prior agreements have been made in writing.

6. Neither all nor any part of the contents of this analysis shall be conveyed to the public through advertising, public relations, news, sales or other media, without my written consent and approval, my identity or the identity of the firm with which I am connected or any reference to the Appraisal Institute.

7. This blight study has been prepared pursuant to Section 100.310(2) of the Revised Statutes of Missouri. This report is not intended for any other use and should not be relied upon by any other party.



Proposed PIEA Area

N

Not to Scale

IDENTIFICATION OF PROPERTY

The property comprises approximately nine blocks in the heart of the central business district of Kansas City, Missouri. A map identifying the location of the area analyzed is shown on the following page. Included are Blocks 92, 93, 94 and 95, which are located between 11th and 12th Street, Main and McGee. Two tracts are located north of this four-block area, both in Block 78, fronting 11th, Grand and McGee. The PIEA area also includes all of three blocks and the northern portion of a fourth block located between 12th and 13th Streets, from Baltimore to McGee. These are Blocks 109, 110, 111 and the northern portion of Block 112. Finally, the PIEA area analyzed includes Block 126, which is located between 13th and 14th Streets, Walnut to Grand. Based on county assessment information, there are approximately 35 different building structures, only eight of which (23%) are less than 40 years old. Conversely, 25 buildings (71%) are over 65 years old.

PURPOSE OF THE REPORT

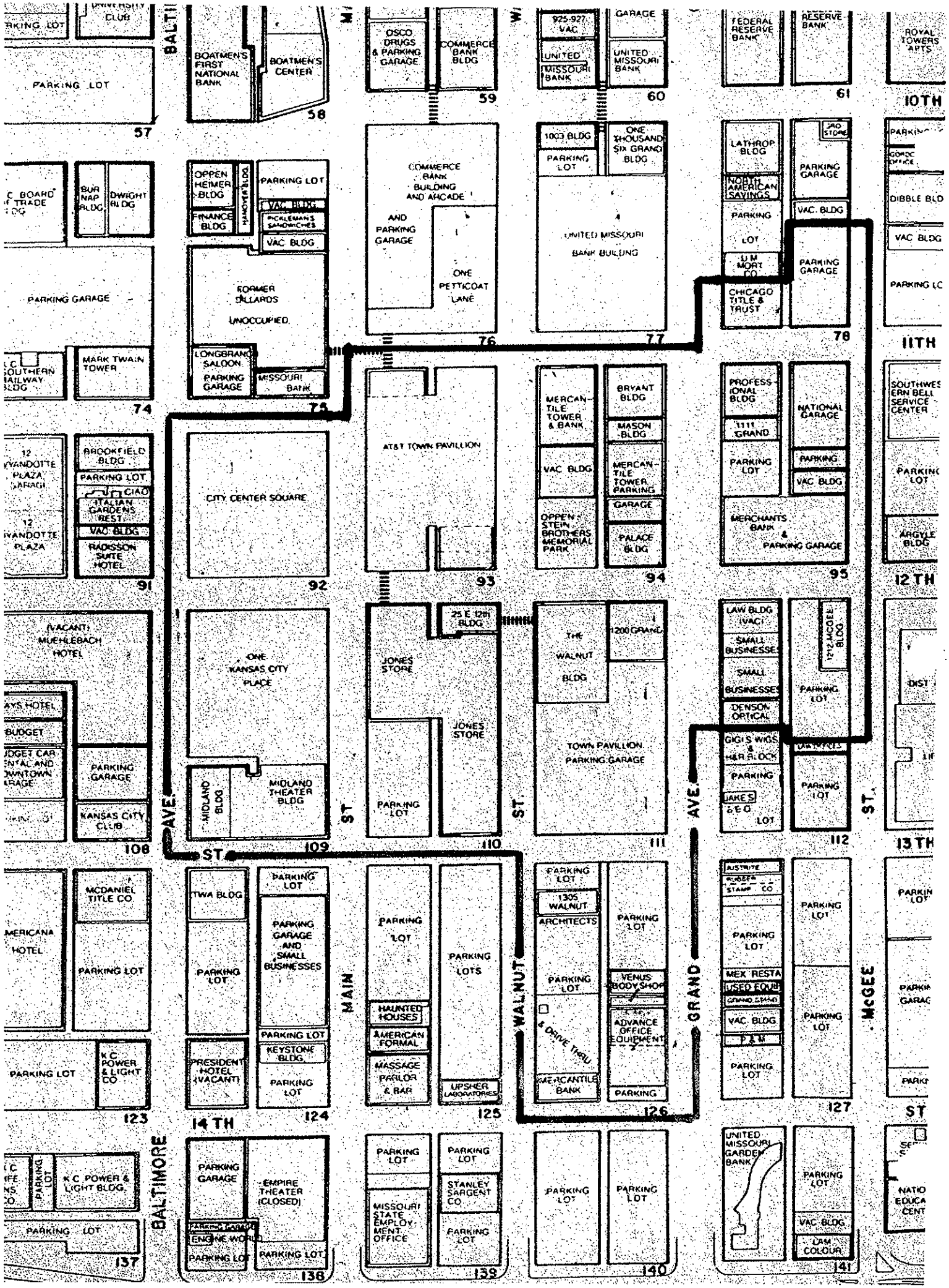
The purpose of this blight study is to determine whether the specific redevelopment area is blighted within the meaning of Section 100.310(2), found in Chapter 100 of the Revised Statutes of Missouri.

SCOPE OF THE REPORT

This blight study is not limited in scope. In preparation of this blight study, I have considered all available relevant data identified as impacting the determination of whether the area is blighted. Data sources relied upon include, but are not limited to city and county records, population and employment information provided by Mid-America Regional Council and the State of Missouri, interviews with real estate brokers and confidential information obtained through a variety of sources.

EFFECTIVE DATE OF THE REPORT

The effective date of this blight study is **July 5, 2003**. Unless otherwise stated, all factors pertinent to a determination of blight were considered as of that date. All but three of the 64 tax parcels were inspected on that date.


PARKING LOT
UNIVERSITY CLUB
BOATMEN'S FIRST NATIONAL BANK
BOATMEN'S CENTER
OSCO DRUGS & PARKING GARAGE
COMMERCE BANK BLDG
925-927 VAC
UNITED MISSOURI BANK
GARAGE
UNITED MISSOURI BANK
FEDERAL RESERVE BANK
RESERVE BANK
ROYAL TOWERS APTS
10TH
57
58
59
60
61
BALTI
C. BOARD OF TRADE BLDG
BUR NAP BLDG
DWIGHT BLDG
OPPEN HEIMER BLDG
HANOVER BLDG
FINANCE BLDG
PARKING LOT
VAC. BLDG
PICKLEMAN'S SANDWICHES
VAC BLDG
COMMERCE BANK BUILDING AND ARCADE
AND PARKING GARAGE
ONE PETTICOAT LANE
1003 BLDG
PARKING LOT
ONE THOUSAND SIX GRAND BLDG
UNITED MISSOURI BANK BULDING
LATHROP BLDG
NORTH AMERICAN SAVINGS
PARKING LOT
U M MORT CO
CHICAGO TITLE & TRUST
PARKING GARAGE
VAC. BLDG
PARKING GARAGE
DIBBLE BLD
VAC BLDG
PARKING LC
PARKING GARAGE
FORMER DILLARDS
UNOCCUPIED
LONGBRANCH SALOON
PARKING GARAGE
MISSOURI BANK
76
77
78
11TH
C SOUTHERN RAILWAY BLDG
MARK TWAIN TOWER
74
75
AT&T TOWN PAVILLION
MERCANTILE TOWER & BANK
VAC BLDG
OPPENSTEIN BROTHERS MEMORIAL PARK
BRYANT BLDG
MASON BLDG
MERCANTILE TOWER PARKING
GARAGE
PALACE BLDG
PROFESSIONAL BLDG
1111 GRAND
PARKING LOT
NATIONAL GARAGE
PARKING
VAC BLDG
MERCHANTS BANK & PARKING GARAGE
SOUTHWESTERN BELL SERVICE CENTER
PARKING LOT
ARGYLE BLDG
12 WYANDOTTE PLAZA GARAGE
12 WYANDOTTE PLAZA
BROOKFIELD BLDG
PARKING LOT
CIAO
ITALIAN GARDENS REST
VAC BLDG
RADISSON SUITE HOTEL
91
CITY CENTER SQUARE
92
93
94
95
12 TH
(VACANT) MUEHLEBACH HOTEL
HAYS HOTEL
BUDGET
BUDGET CAR RENTAL AND DOWNTOWN GARAGE
PARKING GARAGE
KANSAS CITY CLUB
108
ONE KANSAS CITY PLACE
MIDLAND BLDG
MIDLAND THEATER BLDG
109
AVE.
ST
JONES STORE
25 E 12th BLDG
PARKING LOT
JONES STORE
110
ST
THE WALNUT BLDG
1200 GRAND
TOWN PAVILION PARKING GARAGE
111
AVE.
LAW BLDG (VAC)
SMALL BUSINESSES
SMALL BUSINESSES
DENSON OPTICAL
GIGI'S WIGS & HER BLOCK
PARKING
BAKES & E.C. LOT
1212 McGEE BLDG
PARKING LOT
PARKING LOT
112
ST.
13 TH
McDANIEL TITLE CO
AMERICANA HOTEL
PARKING LOT
PARKING LOT
TWA BLDG
PARKING LOT
PARKING LOT
PARKING GARAGE AND SMALL BUSINESSES
PARKING LOT
KEYSTONE BLDG
PARKING LOT
PRESIDENT HOTEL (VACANT)
MAIN
PARKING LOT
HAUNTED HOUSES
AMERICAN FORMAL
MASSAGE PARLOR & BAR
PARKING LOTS
UPSHER LABORATORIES
WALNUT
PARKING LOT
1305 WALNUT
ARCHITECTS
PARKING LOT
& DRIVE THRU
MERCANTILE BANK
PARKING LOT
VENUS BODY SHOP
ADVANCE OFFICE EQUIPMENT
PARKING
GRAND
AUSTRITE
STAMP CO
PARKING LOT
MEX RESTA
USED FOUR
VAC. BLDG
P & H
PARKING LOT
PARKING LOT
PARKING LOT
McGEE
PARKING LOT
PARKING GARAGE
ST
PARKING LOT
KC POWER & LIGHT CO
123
14 TH
124
125
126
127
BALTIMORE
KC POWER & LIGHT BLDG
PARKING LOT
137
PARKING GARAGE
ENGINE WORLD
PARKING LOT
EMPIRE THEATER (CLOSED)
PARKING LOT
138
PARKING LOT
MISSOURI STATE EMPLOYMENT OFFICE
PARKING LOT
STANLEY SARGENT CO
PARKING LOT
139
PARKING LOT
PARKING LOT
140
UNITED MISSOURI GARDEN BANK
PARKING LOT
VAC. BLDG
LAM COLOUR
141
NATIO EDUCA CENT

METHOD OF ANALYSIS

Pursuant to Chapter 100 of the Revised Statutes of Missouri, the Kansas City Planned Industrial Expansion Authority has the authority to submit general redevelopment plans to the city, but only if the area has been determined to be blighted, insanitary or an undeveloped industrial area in need of industrial development (R.S. Mo. 100.400.1(2)). The authority is empowered to take actions it finds "necessary to prevent the recurrence of blighted, insanitary, undeveloped industrial areas or to effectuate the purposes of this law." (MRS. Mo 100.390(4).

In determining whether the defined area is a **blighted area**, the obvious initial responsibility is to define the term. For purposes of this study, the following definition, found in Section 100.310(2) of the Revised Statutes of Missouri, was used:

> "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 that endanger life or property by fire and other causes, or any combination of such factors, retards the provisions of housing accommodations or constitutes an economic or social liability or menace to the public health, safety, morals or welfare in its present condition and use."

Chapter 100 also defines the terms insanitary area and undeveloped industrial area in Sections 100.310(11) and 100.310(18), respectively. These definitions are:

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

> "**Undeveloped Industrial Area**, any area which, by reason of defective and inadequate street layout or location of physical improvements, obsolescence and inadequate subdivision and platting contains parcels of land not used economically; contains old, decaying, obsolete buildings, plants, stores, shops, shopping centers, office buildings, hotels and motels and parking garages, warehouses, distribution centers, structures; contains buildings, plants, stores, shops, shopping centers, office buildings, hotels and motels and parking garages, multi-family housing facilities, warehouses, distribution centers and structures whose operation is not economically feasible; contains intermittent commercial and industrial structures in a primarily industrial

> or commercial area; or contains insufficient space for the expansion and efficient use of land for industrial plants and commercial uses amounting to conditions that retard economic or social growth, or economic waste and social liabilities and represent an inability to pay reasonable taxes to the detriment and injury of the public health, safety, morals and welfare."

In determining whether the area under review is blighted pursuant to these definitions, I first reviewed the general conditions in the neighborhood, particularly trends in the area as they relate to an indication of whether this portion of the city is "obsolete, decadent, substandard, unsanitary or blighted" and noted "that such areas are characterized by depreciation values, impaired investments, reduced or negligible income and consequent tax delinquencies..." In reviewing both the legislative and case history of blight statutes, I found judicial decisions stating the governing bodies could reasonably determine an area was blighted, although not necessarily the total area or any particular portion of it constituting what is generally known as a "slum." In fact, the statutory definition of the term "blight area" specifically states that not all improvements in the area need be blighted, only a predominance.

I have analyzed the existing land and site improvements, along with development cost estimates for the subject property. General issues applicable to the property and the entire neighborhood include population, as well as property assessed values and real estate market trends of the local marketplace. With regard to the specific property, age, obsolescence, inadequate or outmoded design and physical deterioration issues were reviewed to determine whether the area and/or improvements have become economic and social liabilities. The various factors were then reviewed in the aggregate to determine whether conditions are conducive to ill health, transmission of disease, crime or inability to pay reasonable taxes, which would result in the area being a "blighted area", as defined in the statute.

Blight Analysis Criteria

Under Chapter 100, Section 100.400 (2), "(a)n authority shall not prepare a plan for a project area unless the governing body of the city has declared ... the area to be blighted, insanitary or undeveloped industrial area ..." Section 74-6 of the Kansas City Code establishes criteria for "supporting evidence of blight" within the context of R.S. Mo. 353.020(2) and Section 74-4. It requires an application for approval of a development plan to include evidence of a blighted area and it requires "identification of each parcel within the area and a factual description of the parcel as to the nature and age of any improvements on the parcel and the physical condition of the parcel and any improvements thereon...". For Chapter 100, one would anticipate similar procedures. A *blight study* should provide evidence of facts which demonstrate that 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 that endanger life or property by fire and other causes, or any combination of such factors, retards the provisions of housing accommodations or

constitutes an economic or social liability or menace to the public health, safety, morals or welfare in its present condition and use."

Consultant's Experience

The consultant has performed a number of previous independent blight studies under the criteria explained above to determine evidence of blight. Among these are: TIF Blight Study, 18th and Vine District, Kansas City, Missouri (2 studies); 353 Blight Study, Tnemec Corporation, North Kansas City, Missouri; TIF Blight Study, I-70 and Selsa Road, Independence, Missouri; Rockhurst College Blight Study, Kansas City, Missouri; Allied Southeast Landfill Blight Study, Kansas City, Missouri; TIF Blight Study, Vista del Rio, Kansas City, Missouri; 353 Blight Study, Interstate Bakeries, Kansas City, Missouri; Blight Study of old Muehlebach Hotel, Kansas City, Missouri.

Previous Blight Determinations

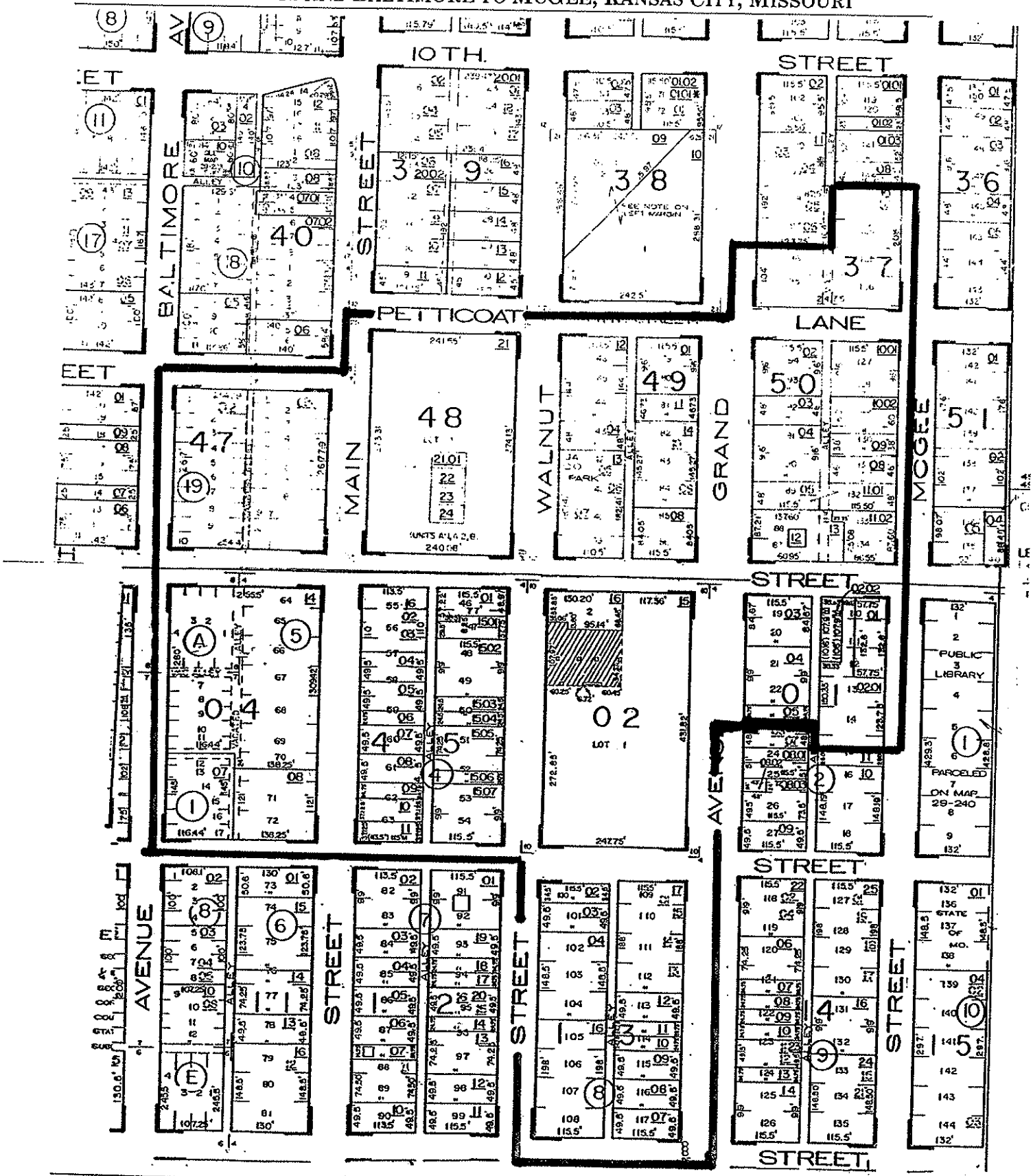
According to the information available, the City has previously determined that 53 of the 64 parcels in this analysis have been blighted under TIF, Chapter 99 or Chapter 353. The reader should note, however, not all of those properties previously found to have been blighted and included in TIF areas necessarily received any tax abatement or tax increment financing. For example, to my knowledge, the Power & Light district never resulted in any tax benefits because the project was not developed.

Legal Description

A legal description of the entire redevelopment area was not provided. The area of study includes portions of two Jackson County Tax Parcel Maps, 29-220 and 29-230, as identified on a map excerpt included on a following page.

Ownership

The property has a wide diversity of ownership interests. According to county assessment records, there are 36 owners of the 64 tax parcels. A list of owners by tax parcel is included in **Addendum B**.


10TH.
STREET
BALTIMORE
STREET
PETTICOAT
LANE
MAIN
STREET
WALNUT
GRAND
MCGEE
STREET
AVENUE
STREET
STREET
STREET
STREET
PUBLIC LIBRARY
STATE OF MO.

NEIGHBORHOOD ANALYSIS

The subject property is located in the south/central portion of the central business district (CBD) of Kansas City, Missouri, generally bounded by Sixth Street and Interstate 70 on the north, Charlotte Street and Interstate 70/Interstate 35 on the east, Truman Road and Interstate 35 on the south and Pennsylvania and the West Freeway Loop on the west. The area being studied is located at the southwest corner of the area designated as the Financial District of the CBD under the city's functional organization concept map, which was drafted during the 1980s. This map is generally consistent with the new Urban Design Framework in the city's 2003 Downtown Land Use and Development Plan. The Financial District generally extends from Wyandotte Street on the west to McGee on the east and from the north end of the central business district at about 6th Street south to 13th Street. During the strong real estate development period of the early to mid-1980s, this district was the primary redevelopment center for the neighborhood. New office projects included the Town Pavilion, 12 Wyandotte Plaza, new headquarters buildings for Commerce Bank and United Missouri Bank, One Kansas City Place, One Petticoat Lane and, finally, 1201 Walnut Tower. Outside the financial district, one of the few major new projects was the Marriott Hotel at 12th and Wyandotte in the Convention and Entertainment District. During this same time period, a variety of residential development, apartment renovation and office renovation projects took place in the Quality Hill/Garment District, which also featured the Zimmer Company's new headquarters.

Subsequently, the majority of new construction in the CBD over the past 13 years has been government oriented. Bartle Hall was expanded in the Convention and Entertainment District, the FBI developed a new building west of Quality Hill, a new FAA building was constructed in the Government/Civic District, as was the Charles Evans Whittaker Federal Courthouse. The most significant private development was probably UMB Bank's Data Processing Center near the eastern edge of the Financial District.

Development of the Kansas City, Missouri CBD was historically influenced by its proximity to the Missouri River and later by the development of other transportation routes, such as the railroad and the interstate highway system. In more recent history, generally the past 20 years, Kansas City has experienced the trend that is prevalent among most United States cities in which retail and residential developments, spurred by the CBD core of office and financial development, have dwindled, generally relocating to the suburbs. Today, the majority of space is office with a smaller portion of retail stores, restaurants, apartments/condominiums and a few hotels.

Prevailing Trends

The dominant central business district commercial property uses are office and government related, along with some convention and entertainment oriented properties. According to the Downtown Council of Kansas City, Missouri, notable current downtown business projects include: (1) The new downtown Kansas City Public Library, (2) The Union Station renovation, (3) Riverfront Park, (4) Charles Evans Whittaker Federal

Courthouse, and (5) Kauffman Performing Arts campus. These five public and entertainment projects have a total cost in excess of $700 million. The other two notable projects include the 1998 restoration of the former New York Life building, which was renovated to serve as the office headquarters for Utilicorp United at a cost of $31 million. The second is the renovation of the JAX building in the River Market area and the construction of Conover Place, with the combined project containing 135 loft apartment and condominium units. Thus, the vast majority of new development is government or public sector-related.

Historically, the CBD employment has been predominantly service-oriented, specifically banking and office users. In analyzing the office market, I reviewed 2003 office market reports prepared by Block & Company, Grubb & Ellis/The Winbury Group, Colliers-Turley-Martin-Tucker and Cohen-Esrey Real Estate Services. According to Block & Company, the metropolitan Kansas City office market vacancy rate was 13.8% at the end of 2002, with a rate of 16% including sublease space. The central business district, which Block defines as the loop, Crown Center and the Freighthouse District, contains 20.4 million square feet of space, or almost 30% of the entire metropolitan market. It reported the overall vacancy in this submarket increased to 13.20% from 9.75% the prior year. Class "A" properties reported 20.61% available at year-end 2002, while Class "B" properties had 11.64% available. In 2002, Kansas City Southern Railroad's 129,500 square foot building and Butler Manufacturing's 150,000 square foot headquarters were completed, while Shook, Hardy & Bacon's 598,000 square foot building is scheduled for completion in Crown Center in late 2003 or early 2004.

As noted in the Area Data in **Addendum C**, Cohen-Esrey reports a metropolitan area vacancy rate of 16.05% at year-end, with the downtown submarket having a 14.05% vacancy rate. The downtown vacancy is 1.75% higher than the prior year and the metropolitan area market vacancy rate is three points higher than the prior year.

According to Grubb & Ellis/The Winbury Group, Kansas City's office vacancy "surged" in 2002. The metropolitan vacancy rate is 19.0%, with the CBD vacancy rate currently 14.5%. Winbury noted "effective rental rates dropped 10% to 20% as landlords tried to compete with companies that sublet space at aggressive rates." It forecast vacancies to continue upward in 2003, "cresting around 21%". When the 600,000 square foot Crown Center Tower is completed late in 2003, "Downtown vacancy will spike approximately 400 basis points, pushing it over 19% as the tower's tenants relocate from other buildings, including the anchor tenant, Shook, Hardy & Bacon, which will leave a sizeable hole at One Kansas City Place."

According to Colliers-Turley-Martin-Tucker (CTMT), metropolitan vacancy rates rose from 14.3% at the end of 2001 to 20.9% at the end of 2002. "In this environment, over the next year or two, tenants have an opening that may lead to reduced rates, free rent and other concessions. Class A space may be available for a little more than Class B rates of a year ago." Turning to the downtown/Crown Center submarket, CTMT reports year-end 2002 "vacancy in the downtown submarket was 25.7%. ...Sprint and Aquila added to the

downtown vacancy with sublease offerings of 80,000 and 236,000 square feet, respectively. Commerce Bank placed 80,000 square feet in the market in the Commerce Bank building when it moved to the renovated Commerce Trust building."

Turning to the secondary retail and apartment markets downtown, this submarket is inadequate to justify analysis by Colliers-Turley-Martin-Tucker or Grubb & Ellis. Block & Company did not include a separate analysis of the metropolitan area apartment market, but did comment on the central business district in its retail section. It stated: "Little new retail activity has been experienced in the CBD. Considerable activity is being proposed by the mayor's office with support from CBD businesses. Although this activity would include a major entertainment area, rapid progress is not expected due to considerable political and economic hurdles."

Cohen-Esrey has not published submarket multi-family occupancy information since 2001. Metropolitan area occupancy declined for the fifth consecutive year in 2002 and is now under 90%, at 89.91%. As of year-end 2001, Cohen-Esrey forecast continued growth in the downtown apartment market, but cautioned: "Supply could outpace demand." It further stated, however, "Housing may be the savior for downtown Kansas City. Downtown has a 24-hour population of more than 10,000 and city leaders want to see that figure increase to 20,000 by 2006. A larger 24-hour population will provide an expanded workforce to fill downtown office space and will generate the addition of limited retail space (grocery, pharmacy, etc.) and restaurants. The real test will be the depth of the urban market."

According to the March 10, 2003, *Kansas City Business Journal*, the depth of the market may have been satisfied in 2001. It reported net absorption of only six units downtown in 2002, after 552 units were absorbed in 2001. In comparison to the single-digit absorption, 244 units were completed. Consequently, occupancy fell to 86.7% at the end of 2002, compared with 93.7% a year earlier.

Finally, the Downtown Council of Kansas City issued a *Downtown Housing Study* in January 2002. It noted occupancy rates ranging from 96% to 98% at the time of its market survey. The study reported employee responses indicated 27.5% of the employees surveyed are "very likely" or "somewhat likely" to move downtown. This equates to 9% of the total surveys distributed, indicating "an estimated market of 8,400 employees interested in moving downtown." Based on building permits from 1995 to 1997, the most recent information then available, downtown's "rate of penetration represents an estimated 3% of the metropolitan area permits, or an estimated absorption of 150 units per year in the downtown area under current circumstances generally limited to building renovations. If land could be assembled for new construction, such as proposed by the EDC's Riverfront Development Plan, an additional 200+ units could be absorbed."

To summarize, like many areas of the country, as well as most submarkets in the metropolitan area, downtown Kansas City presently has near record vacancy rates in its office towers. The four prominent firms reviewed reported CBD vacancy rates ranging from 13.2% to 25.7%, depending on how the district is defined. Very limited retail demand

is indicated. Most of the office towers that built retail space on their lower levels have converted at least part to office use. All have excessive vacant retail space. As noted by local brokers, increased residential activity may be required in order to generate demand for retail services.

PROPERTY DESCRIPTION

The proposed Downtown Loop PIEA Redevelopment project boundaries encompass nine city blocks and contain a total of approximately 19.88 acres. The properties included are all of Blocks 92 93, 94, 95, 109, 110, 111 and 126, along with the northern portion of Block 112 and the southern portion of Block 78, all located in the central business district of Kansas City. A map identifying the block numbers and locations is included on the following page.

Street Boundaries and Access

The proposed Downtown Loop PIEA Redevelopment Area is generally bounded on the north by 11th Street (Petticoat Lane) and on the south by 14th Street. It is bounded on the east by McGee Street and on the west by Baltimore. The area included consists of eight complete city blocks, plus portions of the two other blocks. Interstate Highways 70, 35 and 670 are accessible within a few blocks of the Planning Area, providing excellent access to all parts of the metro area. Within the downtown Loop, most of the streets are alternating one-way streets to enhance traffic flow on the busiest thoroughfares.

Land Area

Using information provided by the Jackson County Assessor's office and using assessment maps, the Redevelopment Area contains an estimated 866,056 square feet of land, or 19.88 acres. Tax parcels range from 2,809 square feet to 98,802 square feet. Five of the 64 tax parcels comprise the Town Pavilion, which covers the block bounded by 11th Street, Main Street, 12th Street and Walnut. It is a single land site. Thus, the average size of the 60 land tracts is 14,434 square feet, or 0.33 acres.

The Redevelopment Area is anchored by three blocks that were partially or completely redeveloped in the 1980s and one block redeveloped in the 1970s, along with five blocks that are a combination of surface parking lots and improvements ranging from 30 to 110 years in age. The area has frontage of approximately 247 feet on the north side of 11th Street, 982 feet on the south side of Petticoat Lane (11th Street) and the north side of 12th Street, 993 feet on the south side of 12th Street, 748 feet on the north side of 13th Street, and 244 feet on the south side of 13th and north side of 14th Streets. It also has approximately 698 feet of frontage on the east side of Baltimore and the west side of Main, 807 feet of frontage on the east side of Main Street and the west side of Walnut, 1,234 feet of frontage on the east side of Walnut and the west side of Grand Avenue, 632 feet of frontage on the east side of Grand and 868 feet on the west side of McGee Street.

Topography, Drainage

The Redevelopment Area slopes downward from north to south between 12th and 14th Streets and slopes downward from east to west between McGee and Walnut. It also slopes slightly downward from west to east between Baltimore and Main. The heart of the CBD core is generally level in the areas around Walnut, Main, 11th and 12th. Drainage generally flows to the south from 12th and to the north from 11th.

Brownfield Sites

There are no known brownfield sites within the boundaries of this blight study.

Billboard Locations

The Redevelopment Area includes a billboard located adjacent to the building at 1305 Walnut. The billboard is on the south side of the building and is located either on the tax parcel identified as 1305 Walnut or 1319 Walnut. A similar, small billboard is located adjacent to Parcel 63, the tax parcel identified as 1222 McGee. The billboard is located on the south side of the building at 1222 McGee and the southern boundary of the Redevelopment Area is the property at 1222 McGee. Thus, it would appear the billboard is located several inches south of the Redevelopment Area, but a survey would be necessary to determine whether the billboard is within the study area.

County Tax Parcels

The Jackson County Assessor has divided the Redevelopment Area into 64 tax parcels. A list of the tax parcel numbers by address is included on the following page. The reader will note that some of the parcels are identified only by street name. The assessor has not assigned an address to some of the unimproved surface parking lots. A composite of Jackson County Tax Maps 29-220 and 29-230 was included previously in this report. The boundaries of the Redevelopment Area are highlighted for the reader's convenience.

Tax Abated Projects

According to information obtained from the Jackson County Assessor, there were five projects in the Redevelopment Area known to have received Chapter 353 tax abatement benefits. These projects encompass approximately 10 of the 64 tax parcels. The locations are 1122 Walnut, 1125 McGee, 1200 Grand, One West 12th Street and 25 East 12th Street. In addition, it is my understanding that the property at 1100 Main and the former Jones Store at 1201 Main formerly received Chapter 99 abatement, although the tax benefits have expired. These two projects comprise approximately 11 tax parcels. According to my research, there are five tax parcels within the Redevelopment Area that are in the Grand Boulevard TIF district. In addition, there are 21 tax parcels that were formerly part of the Power & Light TIF district. The exact dates and amounts of abatement, if any, could not be obtained.

	Tax ID Number	Address
1	29-220-48-21-00	1122 Walnut
2	29-220-48-21-01	1122 Walnut
3	29-220-48-22-00	1122 Walnut
4	29-220-48-23-00	1122 Walnut
5	29-220-48-24-00	1122 Walnut
6	29-220-49-01-00	1102 Grand
7	29-220-49-11-00	1110 Grand
8	29-220-49-14-00	1120 Grand
9	29-220-49-08-00	1150 Grand
10	29-220-49-12-00	1101 Walnut
11	29-220-49-04-00	1115 Walnut
12	29-220-49-13-00	1129 Walnut
13	29-220-50-02-00	1103 Grand
14	29-220-50-03-00	1111 Grand
15	29-220-50-04-00	1117 Grand
16	29-220-50-10-01-2	1100 McGee
17	29-220-50-10-01-1	1100 McGee
18	29-220-50-10-02	1106 McGee
19	29-220-50-09-00	1116 McGee
20	29-220-50-08-00	1118 McGee
21	29-220-50-14-00	1125 McGee
22	29-230-01-03-00	1207 Grand
23	29-230-01-04-00	1209 Grand
24	29-230-01-05-00	1217 Grand
25	29-230-01-12-00	1221 Grand
26	29-230-01-02-01	McGee
27	29-230-01-01-00	1212 McGee
28	29-230-01-02-02	1220 McGee
29	29-230-02-15-00	1200 Grand
30	29-230-02-16-00	1200 Grand
31	29-230-04-14-00	1 W. 12th St.
32	29-230-04-07-00	1221 Baltimore
33	29-230-04-08-00	1220 Main
34	29-230-13-17-00	1306 Grand
35	29-230-13-12-00	1316 Grand
36	29-230-13-11-00	1320 Grand
37	29-230-13-10-00	1324 Grand
38	29-230-13-09-00	1324 Grand
39	29-230-13-08-00	1330 Grand
40	29-230-13-07-00	1334 Grand
41	29-230-13-02-00	1301 Walnut
42	29-230-13-03-00	1305 Walnut
43	29-230-13-04-00	1319 Walnut
44	29-230-13-16-00	1335 Walnut
45	29-230-45-01-00	25 E. 12th
46	29-230-45-16-00	1201 Main St.
47	29-230-45-04-00	1213 Main St.
48	29-230-45-05-00	1215 Main St.
49	29-230-45-06-00	1219 Main St.
50	29-230-45-07-00	1221 Main St.
51	29-230-45-08-00	1223 Main St.
52	29-230-45-09-00	1225 Main St.
53	29-230-45-10-00	1227 Main St.
54	29-230-45-11-00	1231 Main St.
55	29-230-45-15-05	Walnut
56	29-230-45-15-04	Walnut
57	29-230-45-15-03	Walnut
58	29-230-45-15-06	Walnut
59	29-230-45-15-07	Walnut
60	29-230-45-15-02	1208 Walnut
61	29-230-45-15-01	1208 Walnut
62	29-220-47-03-00	1100 Main
63	29-230-01-11-00	1222 McGee
64	29-220-37-10-00	1025 Grand

Improvements Description

The Downtown Loop Redevelopment Area contains, by my count, a total of 35 building structures. Of the 35 buildings in the area, there are 25 buildings (71% of the total) built between 1880 and 1935. These buildings are all at least 65 years old. Among the other ten buildings, three are large office towers constructed during the 1980s, two are office buildings from the 70s, along with a neighboring parking garage, one is a 1940s era garage and one is a bank tower built in the 60s. The only other improvements built since 1935 are a 1985 addition to the vacant former Jones Store Department Store building and a vacant former UMB drive up banking facility, built in 1988.

Excluding the two vacant 1980s era structures noted previously, there are only six buildings or structures in the nine block Redevelopment Area that are less than 40 years old. The largest is the Town Pavilion, which was built primarily for AT&T, which originally occupied approximately 900,000 square feet of office space. The three lower levels were designed for retail tenants. Over the 17-year life of the building, AT&T vacated most of its space, as has Aquila, the subsequent anchor tenant. In addition, there is very little demand for retail space and most of the second and third floors have been redesigned for office use. The building is presently approximately 41% vacant.

The newest building in the Downtown Loop Redevelopment Area is the 1201 Walnut office tower, which is essentially a sister building to the Town Pavilion. Most of the building was constructed above a 2,200 stall-parking garage, originally designed to serve both buildings. During the 90s, this building was never over 5% vacant. Today, it is 28% vacant. The owners report their most difficult hurdle in leasing the building is providing adequate parking. Prospective tenants require four to five parking spaces per 1,000 square feet of building area and those types of parking ratios are not available in the Downtown Loop.

The second largest and second newest building in the redevelopment area is One Kansas City Place. Sprint recently vacated the last 80,000 square feet it occupied in the building, raising the vacancy rate to 13%. The two largest remaining tenants are Shook, Hardy & Bacon and the Federal Reserve, both of which have announced moves to new buildings in midtown or south downtown Kansas City. Shook Hardy will vacate over 300,000 square feet and 45% of the entire leasable area of the building beginning in late 2003. Its lease expires in the first quarter of 2004 and its new building is nearly completed in Crown Center. The Federal Reserve occupies 8% of the building and, while its new headquarters will not be completed for some time, it has several hundred employees in the building who will eventually vacate downtown.

Two of the 1970s vintage structures are the former Mercantile (now U.S. Bank) Tower at 1101 Walnut and its parking garage on Grand. Both structures were foreclosed in 2002 and are now owned by Imperial Bank, which has the property listed for sale at less than $40 per square foot. The third 1970s building is City Center Square, located at 1100 Main. It also has a history of lender ownership and is reportedly 25% vacant.

Among the 25 buildings at least 65 years old, half are vacant, with a number sitting vacant for years. Only a handful have been substantially renovated and some of those are among the 50% sitting idle. The majority are ready for redevelopment. The Law Building at 12th and Walnut was closed and fenced for renovations and redevelopment. Its future land use was anticipated to be residential, but it appears to continue to be a blighted, vacant building. The Chambers Lofts at 12th and Walnut comprises one of the larger loft renovation projects within the Downtown Loop, particularly the financial district. The downtown loft apartment lifestyle has become much more commonplace in Kansas City over the past 15 years, during which a number of older buildings were converted to residential use.

According to the Kansas City Downtown Land Use and Development Plan, the first priority for downtown is redevelopment of the Jones Store building, which was constructed in 1910. Consequently, an extensive analysis of this structure is included. The four-story structure has been vacant since January 1998, over five years ago. The owner of the Jones Store property was an entity controlled by the Archon Group on the date of inspection, which also owned City Center Square, located at the northwest corner of 12th and Main. A representative recently asked me to perform a blight study on that property, as well. I was unable to comply with their timetable, however. As a consequence, I do not have a relationship with the owner that would allow me to inspect the interior of the Jones Store. I interviewed two neighboring property managers, both of whom reported little or no evidence of renovations to the property in recent years. Therefore, in addition to my personal exterior inspection, I reviewed previous blight studies of the property and have included several statements from prior analysts.

The 1985 blight study prepared by O'Flaherty & Vanice stated that, at that time, the improvements appeared to be "structurally sound, considering their age", but, even then, interior deferred maintenance existed in the form of worn floor covering, walls in need of repainting or recovering and replacement or repair of ceiling areas. The report noted the buildings were constructed as two separate structures, then later connected in a manner that resulted in "uneven and sloping floors in some areas. The first floor of the Walnut building, for example, slopes significantly to the north. ...Column spacing is extensive – probably superadequate for building needs and results in floor areas being 'cut-up'".

Fifteen years later, the blight study prepared in 2000 by Integra Realty Resources described the Jones Store property in "dilapidated condition and it appears that very little interior and exterior repair or maintenance has been completed." Interior building improvements "have deteriorated significantly due to age, continuous freeze/thaw cycles and water infiltration. These conditions have also negatively impacted adjoining sidewalks and alleyways." The report, which was provided by the Kansas City Planning Department, included a hand-written note that a chiller had been removed, which caused a hole in the roof, resulting in water in the building. The blight study also noted rusted reinforcing steel and deterioration of the concrete. In some locations, "reinforcing was observed to have rusted through and fallen", indicating "areas of structural deterioration." The report further noted areas in the building "where sections of the old wood flooring have been set

on fire. The resulting fire-fighting efforts have resulted in water damages to parts of the structure's wood framing." The blight study referenced an "Asbestos Survey and Limited Lead-Based Paint Screen Report" completed by ATC Associates, Inc., which was dated June 23, 2000. The report noted asbestos-containing materials in the floor tile mastic, pipe insulation, ceiling tile mastic, glass mirror mastic, roofing materials, transite roof panels and window glazing. It also reported lead-based paint in the building and on the building's exterior. Finally, it alluded to the sloped floors on the first two levels and stated, "much of the wood flooring is buckled, creating numerous trip hazards." In the absence of any information relating to renovations in the past three years, these descriptions are presumed to be accurate.

The exterior of the masonry building still features the Jones Store signage, although the retailer vacated the property over five years ago. Consideration of exterior improvements observed from the street included holes in awnings, deteriorating sidewalks, cracked glass doors and plywood-covered doors, which may represent efforts to prevents vagrants or vandals from entering the building. Demolition of the Jones Store building has been contemplated for a number of years.

The reader's attention is, again, directed to the map included previously which identifies each block by number. Block 93 is improved with the Town Pavilion, which was developed in 1985, although the northwest and southeast corners of the Town Pavilion are 1935 vintage buildings that were retained and renovated.

Block 94 includes the US Bank Tower and parking garage, as well as the Bryant Building, which is a 1930s vintage high-rise office building located at the southwest corner of 11th and Grand. Although the first floor retail space in the Bryant Building was vacant on the date of inspection and had in sign on the door indicating the space was in need of repairs, this building maintains reasonable occupancy for its age and it has been renovated over the years. Several buildings in this block are vacant and have never been renovated. The Palace Building at the northwest corner of 12th and Grand also appeared to be vacant, although it was renovated in the 1980s.

Block 95 features the Trader's Bank Building (former Merchant's Bank Building) at the northeast corner of 12th and Grand. The Professional Building at 1103 Grand, the 1111 Grand Building, and the National Garage at 1100 McGee are all vacant buildings that appear to have been vacant for an extended period of time. All are over 65 years old.

Block 109 was substantially redeveloped in 1987-1988. It features One Kansas City Place office tower, which opened in January 1988 and is now 15-years-old. The south end of Block 109 features the Midland Theater building and the Midland office building, with retail on the lower level. These structures were built in the 1920s.

The One Kansas City Place property features few apparent physical deficiencies for its age. It does suffer from some functional and external obsolescence, however. I have included photographs of the retail space designed and included in the building on Baltimore Avenue,

the food court facing Main Street and parts of the vacant Sprint office space. The retail space on Baltimore, across from the Marriott Hotel, is shell space that has never been occupied in 15 years. The food court has two of seven restaurant suits vacant. After vacating its space, Sprint returned to patch holes in walls, but the space would obviously require renovations in conjunction with being leased to a new tenant. More importantly, not only are there nearly 100,000 square feet of space presently vacant in One Kansas City Place, over 430,000 square feet will be vacated when Shook, Hardy & Bacon and the Federal Reserve Bank leave the central business district. Less than 35% of the building is leased to tenants with any possibility of renewing. Even if the Federal Reserve continues to occupy its space for a year or two, the building will be 58% vacant within seven months, unless new tenants are found. The owner has reported it is negotiating with Waddell & Reed to lease it approximately 240,000 square feet of the space to be vacated by Shook, Hardy & Bacon and/or Sprint. This would account for only about one-half the vacant space, however, or 30% of the building. If this lease is consummated, occupancy could temporarily increase to 73% until the Federal Reserve vacates its space.

One Kansas City Place also includes a parking garage containing 1,132 spaces, providing approximately 1.4 spaces per 1,000 square feet of usable area and 1.3 spaces per 1,000 gross square feet. In contrast, Overland Park, which has more of the area's suburban office space than any other community, requires 3.8 spaces per 1,000 gross square feet of office space, which is generally over four spaces per 1,000 rentable square feet. According to Copaken, White & Blitt, which owns or leases several office towers in the central business district, recent tenant negotiations have typically included requests for four to five spaces per 1,000 square feet, far in excess of the ratios built in the 1960s, 1970s and 1980s downtown. In order to have parking comparable to that typically provided in Overland Park, One Kansas City Place would need an additional 2,000 spaces.

Block 110 is the Jones Store block. The Jones building has been vacant for over five years. Redevelopment of the building and a surface parking lot at the southwest corner of the block has been contemplated. The Chambers Lofts are newly renovated loft apartments in the northeast corner of the block.

Block 111 features the 1201 Walnut office tower in the northwest corner of the block. A 2,200 stall parking garage dominates the block. The Walnut Building was constructed on top of the parking garage, which was designed to serve the Walnut Building and the Town Pavilion. The 1200 Grand building is at the northeast corner of the block. It features a copy center and has some retail occupancy, although the 12th Street retail space is primarily vacant.

Block 92 is City Center Square, a 30-story office and retail tower completed in 1977. Originally designed with two lower floors of retail space, it was renovated several years ago to convert most of the undesired retail space to office use. The property is only about 75% occupied at the present time. It suffers from limited on-site parking, with only about 300 spaces to serve over 600,000 square feet.

The north half of Block 112 features the Law Building at 1201 Grand. It has been vacant for at least 12 years. A four-story building next door is also vacant. Two one-story buildings have tenants. On the east side of the block, an older building at 1212 McGee has been renovated and has both retail and office tenants. The remainder of the McGee side of the portion of the block included in the Redevelopment Area is a parking lot.

The Shoppers Parkade garage is the only parcel in the redevelopment area that is located north of 11th Street. It is located along the southern portion of Block 78 and extends from Grand to McGee, along the north side of 11th. The Alexander Company plans to continue to use it for parking on an interim basis, but plans to raze it for redevelopment due to its age and condition.

Finally, Block 126 is comprised primarily of surface parking lots and older buildings. An older five-story office building at 1305 Walnut is vacant, although Ramos Architects renovated the building in the 1980s. Mercantile Bank built a drive-thru parking facility at 1338 Walnut in the 1980s, but it is also vacant. Four or five buildings are attached to each other on the Grand Avenue side of this block. Virtually all are in deteriorating condition, although first floor occupants were noted in the building at 1324 Grand. This building appears to be in the best condition of any of the properties along that row.

Dangerous Buildings

According to an owner representative, the historic National Garage building is on the dangerous buildings list and is scheduled for demolition. I called Mr. Nate Pare with the City Dangerous Buildings Department to obtain a complete list of dangerous buildings. The department provided a list of approximately 400 dangerous buildings in the City. The National Garage at 1100 McGee was included, as were 1207 Grand Boulevard and 1115 Walnut Street. These appear to be the only three designated dangerous buildings in the proposed PIEA Area.

Historic Structures

According to the Landmarks Commission, there are 11 designated historic structures within the proposed redevelopment area. The 11 structures are listed on the facing page.

BLIGHT FACTORS

The proposed Downtown Loop PIEA Redevelopment Area exhibits several blight factors. The reader's attention is directed to the statutory definition of blighted area, which was reproduced on Page 12 of this report. Each of the delineated blight factors will be specifically reviewed.

Defective or Inadequate Street Layout

Although street layout is less than ideal, any defects are minor compared with the substantial deterioration of the many aging buildings and other site improvements, as well as the functional and external obsolescence identified throughout the project area. Nevertheless, the street layout for 12th and Main Streets received extensive consideration in the Downtown Land Use and Development Plan. These two streets were designated "Pedestrian Priority Streets". According to the report: "These streets are designed with wide sidewalks and generous streetscape furnishings and amenities to accommodate high volumes of pedestrian traffic generated by existing and proposed retail uses... Strong consideration during final design should be given to the notion of reducing the width of Main Street between 10th and 14th Streets. By converting the eastern lane back to sidewalk use, additional opportunities to provide green space along the street are provided, as well as creating a buffer for pedestrians and additional space for potential sidewalk cafes." Considering the demand for additional parking in order to satisfy the needs of tenants for existing office space, one must wonder whether redesign of the street layout as envisioned in the Downtown Land Use and Development Plan might not inhibit traffic flow, rather than enhancing the attractiveness of the area. Nevertheless, the most recent downtown plan would describe the street layout as defective or inadequate.

The alley bisecting Block 110 is not only unnecessary, it inhibits future redevelopment of the property. For these reasons, the Block 110 street layout is clearly defective. The alley has reportedly been vacated recently, but it exists and is defective. It tends to inhibit cohesive development of the entire block, although it may be necessary to provide adequate access to various sides of the Jones Store buildings for emergency purposes pending redevelopment. Over the years, I have not seen or heard of any proposed use that would not eliminate the alley.

The U.S. Bank Tower building in Block 94 has a parking garage that is separated by the alley. This tends to inhibit the attractiveness of the overall development. Furthermore, redevelopment of portions of Blocks 94, 95, 126 or 112 could easily result in alleys bisecting those blocks also being vacated. Finally, on the date of inspection, the alley serving Block 126 was not passable. A large dumpster was located in the center of the alley, indicating that the Block 126 street layout is defective.

EXHIBIT 11

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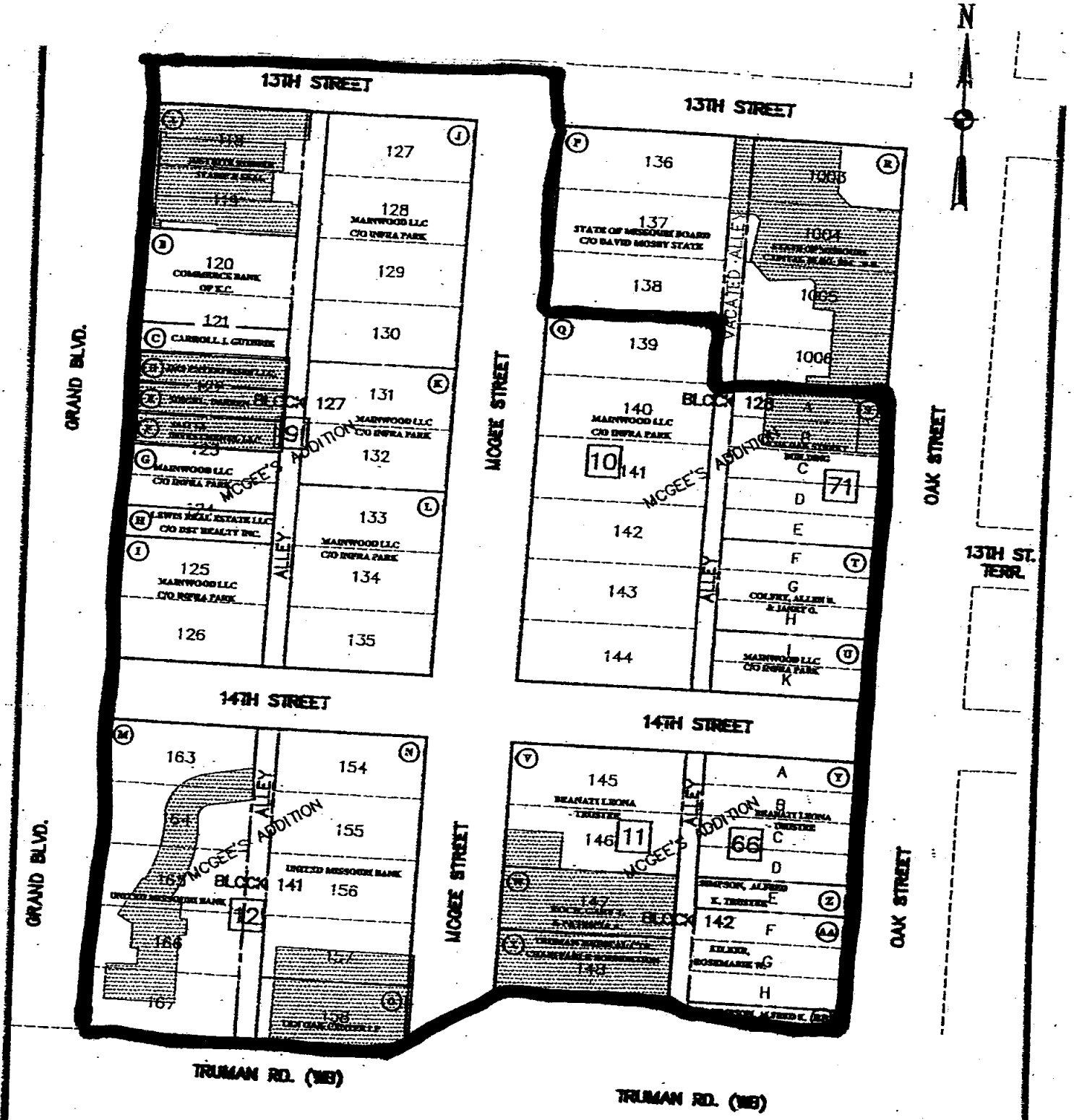
EXHIBIT 12

Acquisition

ACQUISITION

PROJECT 8



NOTE: BLOCK NUMBERS IN BOX ARE LEGAL BLOCK NUMBERS WHEREAS 3-DIGIT BLOCK NUMBERS ARE FOR REFERENCE ONLY.

TALIAFERRO & BROWNE, INC.
CONSULTING ENGINEERS-SURVEYORS
KANSAS CITY, MISSOURI

KANSAS CITY DOWNTOWN ARENA
PRELIMINARY PARCEL MAP

Address	Owner
1408 Oak	Rosemarie W. Kilker
1412 Oak	Alfred K. Simpson Trustee
1412 Oak	Rosemarie W. Kilker
1410 Oak	Rosemarie W. Kilker
1406 Oak	Alfred K. Simpson -Trustee
1400 Oak	Leona Benanti –Trustee
1306 Oak	1316 Oak Street Building
1324 Oak	Allen & Janet O Colfry
1336 Oak	Mainwood LLC
1401 McGee	Leona Benanati – Trustee
1409 McGee	Gary T & Patricia A Koch
1415 McGee	Truman Medical Center Charitable Fund
1313 McGee	Mainwood LLC
1416 McGee	Ten Oak Center LP
145 McGee	United Missouri Bank
1415 Grand	United Missouri Bank
1330 McGee	Mainwood LLC
1320 McGee	Mainwood LLC
1306 McGee	Mainwood LLC
1329 Grand	Mainwood LLC
1327 Grand	Lewis Real Estate LLC
1323 Grand	Mainwood LLC
1321 Grand	Saitta Investments LLC
1319 Grand	Darren Siegel
1317 Grand	JMS Enterprises LLC
1315 Grand	Carroll J Guthrie
1309 Grand	Commerce Bank of KC TR
1301 Grand	Justrite Rubber Stamp & Seal

EXHIBIT 13

Relocation Assistance

Should relocation be necessary for implementation of Project 8 relocation assistance shall be provided by the City of Kansas City, Missouri pursuant to the City Ordinances, state or federal laws and may not be in accordance to the Relocation Assistance Plan as shown in Exhibit 13. Any relocation assistance provide for Project 8 will be at the expense of the Redeveloper or the City of Kansas City, Missouri.

EXHIBIT 14

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