

**13<sup>TH</sup> & WASHINGTON**  
**TAX INCREMENT FINANCING PLAN**  
**KANSAS CITY, MISSOURI**

**TAX INCREMENT FINANCING COMMISSION  
OF KANSAS CITY, MISSOURI**

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**PLAN APPROVALS:**

**AUGUST 14, 1996**  
**PENDING**

**TAX INCREMENT FINANCING COMMISSION APPROVAL**  
**CITY COUNCIL APPROVAL**

**EXECUTIVE SUMMARY  
13<sup>TH</sup> & WASHINGTON TIF  
PLAN PROVISIONS**

<b>Developer:</b>	Unitog Company
<b>Plan Area:</b>	The Redevelopment Area is generally bound by 13 <sup>th</sup> Street on the north, Washington Avenue on the east, 14 <sup>th</sup> Street on the south and Pennsylvania Avenue on the west in Kansas City, Jackson County, Missouri.
<b>Project Description:</b>	The 13 <sup>th</sup> & Washington Tax Increment Financing Plan (the "Plan") calls for the development of the Redevelopment Area as commercial uses, together with parking and appurtenances, as well as all necessary utilities and street improvements. The Plan specifically calls for the construction of 75,000 square foot building and 225 parking spaces.
<b>Project Areas &amp; Time Table:</b>	Redevelopment of the 13 <sup>th</sup> & Washington Redevelopment Area would begin upon approval of the TIF Plan.
<b>Estimated Project Costs:</b>	\$12,515,125 (including TIFC costs)
<b>Reimbursable Costs:</b>	\$4,099,250 – 33% of Estimated Project Costs (including TIFC costs) Reimbursement is for costs related to acquisition and parking.
<b>Anticipated EATS:</b>	\$1,292,000
<b>Anticipated PILOTS:</b>	\$4,224,000
<b>Jobs to be Created and Retained:</b>	350 jobs will be retained in Kansas City and an additional 100 jobs will be created.
<b>TIF Assistance:</b>	TIF will be used to provide financial assistance relating to costs of construction of the parking and acquisition.

**Required  
Statutory Findings:**

- The redevelopment area as a whole is a Blighted Area.
- The redevelopment area has not been subject to growth and development through investment by private enterprise and would not reasonably be anticipated to be developed without investment by private enterprise and would not reasonably be anticipated to be developed without the adoption of the redevelopment plan.
- The TIF Plan conforms to the comprehensive plan for the development of the municipality as a whole.
- The estimated dates, which shall not be more than twenty-three years from the adoption of the ordinance approving a redevelopment project within a redevelopment area, of completion of any redevelopment project and retirement of obligations incurred to finance redevelopment costs have been stated, provided that no ordinance approving a redevelopment project shall be adopted later than ten years from the adoption of the ordinance approving the redevelopment plan under which such project is authorized and provided that no property for a redevelopment project shall be acquired by eminent domain later than five years from adoption of the ordinance approving such redevelopment project.
- a plan has been developed for relocation assistance for businesses and residences.
- But For TIF the proposed redevelopment of the area is not feasible.
- The area selected for the redevelopment project(s) shall include only those parcels of real property and improvements thereon substantially benefited by the proposed redevelopment project improvements.

## TABLE OF CONTENTS

	<u>PAGE</u>
<b><u>EXECUTIVE SUMMARY</u></b> .....	i
<b><u>REQUIRED PLAN ELEMENTS</u></b> .....	1
I. <b><u>GENERAL DESCRIPTION</u></b> .....	1
A. Summary.....	1
B. Redevelopment Area.....	1
C. Redevelopment Projects. ....	1
D. Redevelopment Plan Objectives. ....	1
II. <b><u>ESTIMATED REDEVELOPMENT PROJECT COSTS</u></b> .....	1
III. <b><u>ANTICIPATED SOURCES OF FUNDS</u></b> .....	2
A. Payments in Lieu of Taxes .....	2
B. Economic Activity Taxes .....	2
IV. <b><u>EVIDENCE OF COMMITMENTS TO FINANCE</u></b> .....	3
V. <b><u>ANTICIPATED TYPE AND TERMS OF OBLIGATIONS</u></b> .....	3
VI. <b><u>MOST RECENT EQUALIZED ASSESSED VALUATION</u></b> .....	3
VII. <b><u>ESTIMATED EQUALIZED ASSESSED VALUATION AFTER REDEVELOPMENT</u></b> .....	4
VIII. <b><u>GENERAL LAND USE</u></b> .....	4
<b><u>STATUTORY FINDINGS</u></b> .....	4
IX. <b><u>EXISTING CONDITIONS IN THE REDEVELOPMENT AREA</u></b> .....	4
X. <b><u>"BUT FOR TIF"</u></b> .....	4
XI. <b><u>CONFORMANCE TO THE COMPREHENSIVE PLAN</u></b> .....	5
XII. <b><u>ESTIMATED DATE OF COMPLETION</u></b> .....	5
XIII. <b><u>RELOCATION ASSISTANCE PLAN</u></b> .....	5
<b><u>OTHER PLAN CONDITIONS AND CONSIDERATIONS</u></b> .....	5
XIV. <b><u>ACQUISITION AND DISPOSITION</u></b> .....	5
A. Acquisition and Clearance.....	5
B. Assemblage and Disposition of Land .....	6

<b>XV.</b>	<b><u>AFFIRMATIVE ACTION</u></b> .....	<b>6</b>
<b>XVI.</b>	<b><u>DESIGN REVIEW PROCESS</u></b> .....	<b>6</b>
	A. General .....	6
	B. Pedestrian Walkways, Streets and Open Walk Spaces.....	7
	C. Parking .....	7
	D. Landscape Design.....	7
<b>XVII.</b>	<b><u>ENTERPRISE ZONE</u></b> .....	<b>7</b>
<b>XVIII.</b>	<b><u>PROVISION OF PUBLIC FACILITIES</u></b> .....	<b>7</b>
<b>XIX.</b>	<b><u>REQUEST FOR PROPOSALS</u></b> .....	<b>7</b>
<b>XX.</b>	<b><u>TAX INCREMENT FINANCING</u></b> .....	<b>7</b>
<b>XXI.</b>	<b><u>PROVISIONS FOR AMENDING THE TAX INCREMENT PLAN</u></b> .....	<b>8</b>

## **APPENDICES**

- EXHIBIT 1 - LOCATION AND LEGAL DESCRIPTION OF THE REDEVELOPMENT AREA
- EXHIBIT 2 - SITE PLAN
- EXHIBIT 3 - SPECIFIC OBJECTIVES OF REDEVELOPMENT PLAN
- EXHIBIT 4 - ESTIMATED REDEVELOPMENT PROJECT COSTS
- EXHIBIT 5 - SOURCE OF FUNDS
- EXHIBIT 6 - ESTIMATED ANNUAL PAYMENTS IN LIEU OF TAXES AND ECONOMIC ACTIVITY TAXES OVER THE LIFE OF THE REDEVELOPMENT PLAN
- EXHIBIT 7 - DEVELOPER'S PROPOSAL
- EXHIBIT 8 - EXISTING CONDITIONS STUDY
- EXHIBIT 9 - DEVELOPMENT SCHEDULE
- EXHIBIT 10 - RELOCATION PLAN
- EXHIBIT 11 - LAND ACQUISITION AND DISPOSITION MAP
- EXHIBIT 12 - AFFIRMATIVE ACTION POLICY
- EXHIBIT 13 - AREA AMENITIES AND ARCHITECTURAL AND LANDSCAPE GUIDELINES
- EXHIBIT 14 - DEFINITION OF TERMS

## **REQUIRED PLAN ELEMENTS**

### **I. GENERAL DESCRIPTION**

A. **Summary.** The 13th and Washington Tax Increment Financing Plan (the "Plan") calls for the development of the Redevelopment Area as commercial uses, together with parking and appurtenances, as well as all necessary utilities and street improvements.

B. **Redevelopment Area.** The Redevelopment Area, as proposed, is generally bound by 13<sup>th</sup> Street on the north, Washington Avenue on the east, 14<sup>th</sup> Street on the south and Pennsylvania Avenue on the west (the "Redevelopment Area") in Kansas City, Jackson County, Missouri (the "City") as described in Exhibit 1 attached hereto.

C. **Redevelopment Projects.** The development activities within the Redevelopment Area may be undertaken in a series of redevelopment projects (the "Redevelopment Projects"), each of which will be separately approved by ordinance in conformance with Missouri's Tax Increment Financing Statute. This Plan will be implemented by construction of the depicted development described on the site plan attached as Exhibit 2 and described in the specific objectives of the Plan set forth in Exhibit 3.

D. **Redevelopment Plan Objectives.** The general objectives of the Redevelopment Plan are:

1. To eliminate conditions which are detrimental to public health, safety, morals or welfare in the Redevelopment Area and to eliminate and prevent the recurrence thereof.

2. To enhance the tax base of the City and the other Taxing Districts by developing the Redevelopment Area to its highest and best use, encouraging private investment in the surrounding area, increasing employment opportunities and to discourage residents, commerce, industry and manufacturing from moving to another state.

3. To increase employment and housing opportunities in the City.

4. To stimulate development which would not occur without Tax Increment Financing assistance.

Specific objectives of the Plan are set forth in Exhibit 3.

### **II. ESTIMATED REDEVELOPMENT PROJECT COSTS**

Estimated redevelopment project costs for the Plan are estimated to be approximately \$12,515,125 over the life of the Plan. The Plan proposes that approximately \$4,099,250 in Redevelopment Project Costs be reimbursable from the Special Allocation Fund. These costs, along with the estimated Project Costs, are set forth in Exhibit 4.

The Commission has determined that certain planning and special services expenses of the Commission which are not direct project costs are nonetheless reasonable and necessary for the operation of the Commission and are incidental costs 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.

### **III. ANTICIPATED SOURCES OF FUNDS**

Anticipated sources and amounts of funds to pay Redevelopment Project Costs and amounts to be available from those sources are shown on Exhibit 5. The expected source of funds to be used to reimburse eligible expenses include PILOTS and Economic Activity Tax proceeds.

If bonds are issued, bond proceeds will be deposited in a special construction fund for use in payment of Reimbursable Project Costs. If property is acquired by the Commission and sold or leased to a selected Developer, land disposition or lease proceeds will be utilized by the Commission for payment of Reimbursable Project Costs.

A. Payment in Lieu of Taxes. The total Payment in Lieu of Taxes ("PILOTS") generated over the duration of the Plan is estimated to be approximately \$4,224,000. The resulting Payments in Lieu of Taxes available to pay redevelopment project costs by year are shown in Exhibit 6.

Calculations of expected proceeds of PILOTS are based on current real property assessment formulas and current property tax rates, both of which are subject to change due to many factors, including statewide reassessment, the effects of real property classification for real property tax purposes, and the roll back in tax levies resulting from reassessment or classification. Furthermore calculations are based on increases in assessments of 2% every other year that can be expected to result from inflation with no levy increases, which would also increase PILOTS.

The amount of PILOTS in excess of the funds deemed necessary by the Commission for implementation of this Plan, may be declared as surplus by the Commission. The declared surplus will be made available for distribution to the various Taxing Districts in the Redevelopment Area in the manner provided by the Act.

B. Economic Activity Taxes. Over the life of the Plan, the total Economic Activity Tax revenues are estimated to be approximately \$2,584,000. 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 \$1,292,000 will be made available upon annual appropriation, to pay eligible Redevelopment Project Costs. Those Economic Activity Taxes available to pay project costs are shown in Exhibit 6.

Anticipated Economic Activity Taxes are based upon projected net earnings taxes paid by businesses and employees, as well as sales tax. It is assumed that net earnings and sales tax revenues will increase due to inflation at a rate of 2% a year in addition to the assumed increases due to job creation and business expansion. The estimated PILOTS and Economic Activity Tax revenues are set forth in Exhibit 6 attached hereto.

The amount of Economic Activity Taxes in excess of the funds deemed necessary by the Commission for implementation of this Plan, may be declared as surplus by the Commission. The declared surplus will be made available for distribution to the various Taxing Districts in the Redevelopment Area in the manner provided by the Act.

The Plan requires that all affected businesses and property owners shall be identified and that the Commission shall be provided with documentation regarding payment of Economic



Activity Taxes. The Commission shall make available information to the City of Kansas City regarding the identity and location of the affected businesses. It shall be the obligation and intent of the City of Kansas City to determine the Economic Activity taxes and to appropriate such funds into the Special Allocation Fund, no less frequently than yearly and no more frequently than quarterly, in accordance with the Act.

#### **IV. EVIDENCE OF THE COMMITMENTS TO FINANCE**

Any proposal submitted by a developer to implement this Plan shall include evidence of commitments to finance the Redevelopment Project Costs in addition to those allowable project costs to be paid out of the Special Allocation Fund. Such evidence shall be a part of this Plan and be attached hereto as Exhibit 7.

#### **V. ANTICIPATED TYPE AND TERMS OF OBLIGATIONS**

Without excluding other methods of financing, Bonds may be issued pursuant to this Plan for a term not to exceed 23 years from the adoption of the ordinance approving a redevelopment project within a redevelopment area, at an interest rate determined by the Issuing Body. In order to market such Bonds, it is estimated that available Project revenues must equal 125% - 175% of the annual debt service payments required for the retirement of the Bonds. Revenues received in excess of 100% of funds necessary for the payment of principal and interest on the Bonds or for reserves, sinking funds, or reimbursable project costs may be used to call Bonds in advance of their maturities or may become available for distribution annually to the Taxing Districts. Bonds may be sold in one or more series in order to implement this Plan. All obligations shall be retired no later than 23 years after the adoption of the ordinance approving the redevelopment project, the costs of which are to be paid from the proceeds thereof. No redevelopment project may be approved by Ordinance adopted more than ten years from the adoption of the ordinance approving the redevelopment plan under which the project is authorized. Therefore the latest date of retirement of the Bonds, if the ordinance approving the redevelopment plan is adopted in 1996, will be 2019.

#### **VI. MOST RECENT EQUALIZED ASSESSED VALUATION**

The total initial equalized assessed valuation of the areas selected for Redevelopment Projects, according to the Kansas City Assessor's records, is \$252,480. The current combined tax levy is projected to be \$9.84 (including 1987 M & M replacement surcharge tax) per \$100 assessed valuation on land and \$9.11 (including 1987 M & M replacement surcharge tax) per \$100 assessed valuation on improvements. The current annual tax revenue, without any property tax exemptions, is approximately \$24,840.

The Total Initial Equalized Assessed Valuation of an area selected for a redevelopment project will be determined when the individual Redevelopment Project is approved by ordinance. The municipality or the Commission may then issue tax increment bonds to finance redevelopment within the Redevelopment Project. PILOTS measured by subsequent increases in property tax revenue which would have resulted from increased valuation had Tax Increment Financing not been adopted, will be segregated from taxes resulting from the Total Initial Equalized Assessed Valuation as defined herein, and deposited in a special allocation fund earmarked for bond retirement or payment of Redevelopment Project Costs as defined herein.

## **VII. ESTIMATED EQUALIZED ASSESSED VALUATION AFTER REDEVELOPMENT**

Upon completion of all of the Redevelopment Projects, the assessed valuation of the areas selected for Redevelopment Projects is anticipated to be approximately \$2,636,800. The increase in assessed valuation therefore is anticipated to be approximately \$2,384,320. The resulting Payments in Lieu of Taxes available to pay Redevelopment Project Costs by year are shown in Exhibit 6. When complete will yield an estimated \$223,000 in additional real property taxes annually.

## **VIII. GENERAL LAND USE**

The property within the Redevelopment Area is currently being used as surface parking. The proposed general land use for the Redevelopment Area is envisioned to be office and parking. The Site Plan, Exhibit 2, attached hereto and made part of this Redevelopment Plan, designates the intended predominant land use categories for which tracts in the area will be sold, leased, or otherwise conveyed. The individual Redevelopment Projects shall be subject to the applicable provisions of the Municipality's Zoning Ordinance as well as other codes and ordinances as may be amended from time to time.

## **STATUTORY FINDINGS**

### **IX. EXISTING CONDITIONS**

The Redevelopment Area, including each of the Redevelopment Projects contained therein, qualifies as a "Blighted Area" under Missouri's Tax Increment Financing Statute. These physical conditions preclude any further development and will continue to jeopardize health, safety and welfare without the adoption of this Tax Increment Financing Plan. Further, this Plan is feasible only if all of the specified Redevelopment Projects are designated as such under Missouri's Tax Increment Financing Statute.

A study of the Redevelopment Area has been conducted documenting existing conditions and is attached as Exhibit 8.

### **X. "BUT FOR TIF"**

The Redevelopment Area has not been subject to growth and development by private enterprise and would not reasonably be anticipated to be developed without the adoption of the Redevelopment Plan. The best and most economically viable use for the property in the Redevelopment Area is for commercial and parking uses. Because of the existing condition of the property within the Redevelopment Area, and particularly the condition and location of the area selected for redevelopment projects, the property has not been subject to growth or development in the past. The cost of curing the existing conditions and construction of the improvements contemplated by the Plan is not economically viable, if fully borne by the developer. The use of Tax Increment Financing makes the Plan feasible and thus attractive to private enterprise investment.

## **XI. CONFORMANCE TO THE COMPREHENSIVE PLAN**

The Plan is generally consistent and conforms with the City's Comprehensive Plan. The Plan generally conforms with the guidelines set forth in the Downtown 2000 Plan and with the Land Clearance for Redevelopment Authority's Urban Renewal Plan for the Central Business District.

## **XII. ESTIMATED DATE OF COMPLETION**

The completion of the construction of the redevelopment projects is expected to occur in . In any event, the completion of any redevelopment project and retirement of obligations incurred to finance redevelopment costs will be completed no later than twenty three (23) years from the adoption of the ordinance approving the redevelopment project within the Redevelopment Area, provided that no ordinance approving a redevelopment project shall be adopted later than ten (10) years from the adoption of the ordinance approving this Redevelopment Plan.

The Development Schedule is set forth in the attached Exhibit 9.

## **XIII. RELOCATION ASSISTANCE PLAN**

No relocation is anticipated under the Plan. If necessary, relocation assistance will be available to all eligible displaced occupants in conformance with the Relocation Assistance Plan as set forth in Exhibit 10 or as may be required by other state, federal or local laws.

## **OTHER PLAN CONDITIONS AND CONSIDERATIONS**

### **XIV. ACQUISITION AND DISPOSITION**

A. Acquisition and Clearance. To achieve the redevelopment objectives of this Plan, property or interests therein, including easements and rights-of-way, identified on Exhibit 11, "Land Acquisition and Disposition Map", attached hereto, and made a part of this Plan, may be acquired by purchase, donation, lease or eminent domain in the manner provided for corporations in Chapter 523, R.S.Mo. by the Municipality or the Commission. The property acquired by the Municipality or the Commission may be cleared, and either (1) sold or leased for private redevelopment or (2) sold, leased, or dedicated for construction of public improvements or facilities. The Municipality or the Commission may determine that to meet the redevelopment objectives of the Redevelopment Plan, other properties listed on said map and not scheduled for acquisition should be acquired or certain property currently listed for acquisition should not be acquired. No property for a redevelopment project shall be acquired by eminent domain later than five (5) years from adoption of the ordinance approving the redevelopment Plan under which such project is authorized.

Individual structures may be exempted from acquisition if they are located so as not to interfere with the implementation of the objectives of this Redevelopment Plan or the Redevelopment Projects implemented pursuant to the Redevelopment Plan and their owner(s) agree to rehabilitate or redevelop their property, if necessary, in accordance with the objectives of this Redevelopment Plan.

Clearance and demolition activities will, to the greatest extent possible, be timed to coincide with redevelopment activities so that tracts of land do not remain vacant for extended periods of time and so that the adverse affects of clearance activities may be minimized.

The Municipality or the Commission may devote property which it has acquired to temporary uses prior to such time as property is needed for redevelopment. Such uses may include, but are not limited to, parking or other uses the Municipality or the Commission may deem appropriate.

**B. Assemblage and Disposition of Land.** Land assemblage shall be conducted for (1) sale, lease or conveyance to private developers or (2) sale, lease, conveyance or dedication for the construction of public use, improvements or facilities. The terms of conveyance shall be incorporated in appropriate disposition agreements which may contain more specific planning and design controls than those stated in this Plan.

## **XV. AFFIRMATIVE ACTION**

The Commission has approved a policy to maximize minority business enterprise (MBE), women business enterprise (WBE), minority and women participation in the development of TIF assisted redevelopment projects located within redevelopment areas. The Commission has established two (2) separate "participation goals" for MBE, WBE, minority and women participation in TIF-assisted redevelopment projects. The first participation goal pertains to professional services and consultants and seeks 15% MBE and 5% WBE participation. A second participation goal has been adopted with respect to workforce and seeks minority and women participation in the construction of TIF assisted redevelopment projects. The participation goals with respect to workforce are 15% for minority and 5% for women. Developers are required to make bona fide "good faith" efforts to achieve these participation goals. The Commission or its representative will assess whether good faith efforts have been made. Developer agrees to provide requested information, needed to make this assessment, to the Commission or its representative. Developer agrees to comply with the Commission's Affirmative Action Policy ("AA Policy") as amended from time to time.

The Commission's AA Policy and amendments thereto, are set forth in Exhibit 12 attached hereto.

## **XVI. DESIGN REVIEW PROCESS**

The Commission has adopted a design review process which shall be carried out to review all proposed improvements in the Redevelopment Area. This Design Review Process is attached hereto as Exhibit 13.

The following design controls shall apply to the Plan:

**A. General:** New development shall be designed and constructed so that it is integrated into and complements the surrounding environment. Any buildings that remain shall be made to conform to the development guidelines as approved by the Commission.

B. Pedestrian Walkways, Streets and Open Walk Spaces: Streets, pedestrian paths or open walk spaces shall be designed as an integral part of the overall site design, properly related to existing and proposed buildings and City streetscape elements.

C. Parking: Parking areas shall be designed with careful regard given to orderly arrangement, landscaping, ease of access, and as an integral part of the total site design. Vehicular access to the parking areas shall minimize conflicts with other vehicular and pedestrian movements. Ingress and egress points shall be well distanced from intersections in order to avoid congestion and interference with traffic.

D. Landscape Design: A coordinated landscape program shall be developed in the Redevelopment Area to incorporate the landscape treatment sought for open spaces, roads, sidewalks, and parking areas into a coherent and integrated arrangement.

## **XVII. ENTERPRISE ZONE**

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

## **XVIII. PROVISION OF PUBLIC FACILITIES**

Adequate public facilities and utilities will be assured to service each of the Redevelopment Project Areas.

## **XIX. REQUEST FOR PROPOSALS**

Requests for proposals have been sent to developers. A developer will be selected to implement this Plan or components thereof (the "Developer"). If a Developer is selected who does not now own all the property required to implement the Plan, the Developer, the Commission and the City will be required to identify the funds necessary for the acquisition or lease, of the property by purchase or eminent domain. The proposal of the Developer(s) selected must include evidence of financial commitments sufficient to complete the project. That proposal will then be attached to this Plan as Exhibit 7 and become a part of the Plan.

## **XX. TAX INCREMENT FINANCING**

This Plan is adopted pursuant to the Real Property Tax Increment Allocation Redevelopment Act, Missouri Revised Statutes, Section 99.800 through 99.865, 1990 (the "Act"). The Act enables municipalities to finance redevelopment costs with the revenue generated from PILOTS or Economic Activity Taxes. This Plan shall be filed of record against all properties in approved redevelopment project areas.

**XXI. PROVISIONS FOR AMENDING THE TAX INCREMENT PLAN**

Act. This Redevelopment Plan or Projects may be amended pursuant to the provisions of the

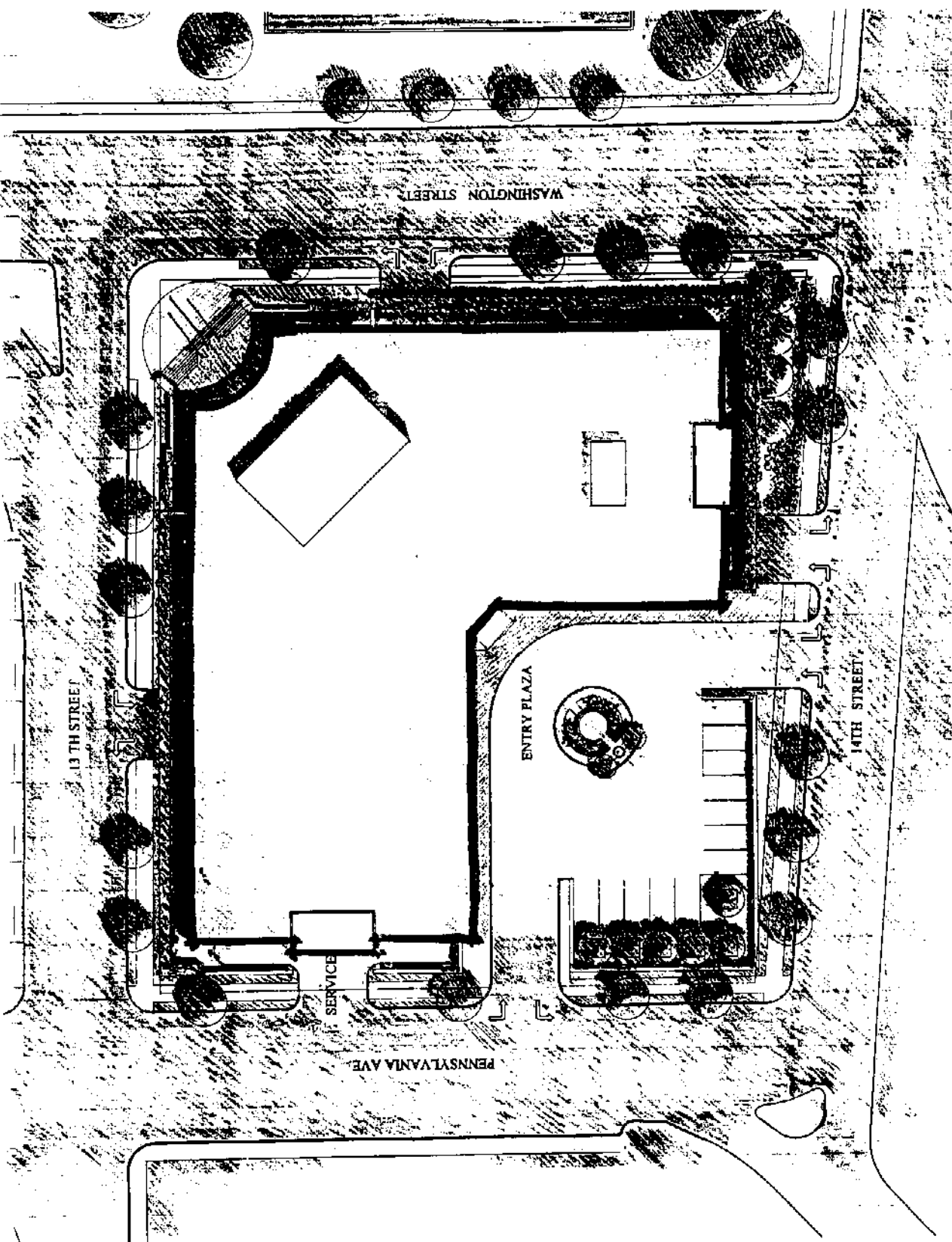


**EXHIBIT 1**  
**LOCATION AND LEGAL DESCRIPTION OF**  
**THE REDEVELOPMENT AREA**

**Commencing at the intersection of the center line of Pennsylvania Avenue and the center line of 13<sup>th</sup> Street; thence east along the center line of 13<sup>th</sup> Street to the center line of Washington Avenue; thence south along the center line of Washington Avenue to the center line of 14<sup>th</sup> Street; thence west along the center line of 14<sup>th</sup> Street to the center line of Pennsylvania Avenue; thence north along the center line of Pennsylvania Avenue to the Point of Beginning, all now included in and a part of the City of Kansas City, Jackson County, Missouri.**







**EXHIBIT 2**

**SITE PLAN**



### **EXHIBIT 3**

#### **SPECIFIC OBJECTIVES OF REDEVELOPMENT PLAN**

1. Enhancement of 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.
2. Promotion of health, safety, order, convenience, prosperity and the general welfare, as well as an increase in efficiency and economy in the process of development.
3. Provision of business opportunities in the Redevelopment Area and Kansas City.
4. Stimulation of construction employment opportunities and increased demand for secondary and support services for the surrounding commercial area.
5. Provision of parking to assist redevelopment of the block and the surrounding uses.
6. Construction of 75,000 square feet of office space and 225 parking spaces.



**EXHIBIT 4****ESTIMATED REDEVELOPMENT PROJECT COSTS**

	<b>AMOUNT</b>	<b>REIMBURSABLE EXPENSES</b>
<b>A. COMMISSION EXPENSES*</b>		
1. Estimated Reimbursable Costs for Plan Implementation		
A. Legal	\$50,000	\$50,000
B. Agenda	\$2,000	\$2,000
C. Staff Time	\$40,000	\$40,000
D. Miscellaneous	\$4,000	\$4,000
2. Final Development Plan Approval Fees (\$ .05 per square foot @ 75,000 s.f.)	\$3,750	\$3,750
3. Plan and Project Administration and Developer/Consultant/TIF Commission Expenses (including expenses for affirmative action administration)	\$230,000	\$230,000
Subtotal Commission Expenses & Fees	\$329,750	\$329,750
<b>B. REDEVELOPMENT PROJECT</b>		
1. Acquisition**	\$1,736,875	\$1,250,000
2. Building Shell	\$4,875,000	\$0
3. Tenant Finish	\$1,500,000	\$0
4. Parking Garage	\$1,912,500	\$1,912,500
5. Architect & Engineer Fees (included above)		
6. Soft Costs		
Land Interim Interest	\$218,000	\$157,000
Construction Interim Interest	\$496,000	\$0
Soil, Survey & Environmental	\$50,000	\$50,000
Government & Utility Charges	\$75,000	\$75,000
Construction period Real Estate Taxes	\$58,000	\$0
Legal Fees, Closing & Title	\$75,000	\$75,000
Conventional Financing Fees & Costs	\$163,000	\$0
Development Fees and Commissions	\$705,000	\$0
TIF Legal & Financing Fees	\$250,000	\$250,000
Contingency	\$71,000	\$0
Subtotal Redevelopment Project A Expense	\$12,185,375	\$3,769,500
<b>TOTAL</b>	<b>\$12,515,125</b>	<b>\$4,099,250</b>

**ASSUMPTIONS:**

\* In addition, up to 5% of the annual PILOTS and Economic Activity Taxes deposited in the Special Allocation Fund may be retained by the TIF Commission to cover incidental expenses incurred by the TIF Commission. This amount will be figured and allocated prior to allocation of any other reimbursable costs.

AGREEMENT  
BETWEEN THE  
TAX INCREMENT FINANCING COMMISSION  
OF KANSAS CITY, MISSOURI  
AND  
UNITOG COMPANY  
FOR THE IMPLEMENTATION OF THE  
13th and WASHINGTON TAX INCREMENT FINANCING PLAN

## INDEX

NO.		PAGE
1.	Items Incorporated .....	1
2.	Redevelopment Area and Redevelopment Project Areas .....	1
3.	Redevelopment Project .....	2
4.	Development Schedule .....	3
5.	Amelioration of Existing Conditions .....	3
6.	Maintenance and Repair .....	3
7.	Control of Projects .....	3
8.	Certificate of Completion .....	3
9.	Payment of Project Costs -- "Pay as You Go Basis" .....	4
10.	Payment of Project Costs -- Issuance of Obligations .....	4
11.	Payments in Lieu of Taxes .....	5
12.	Economic Activity Taxes .....	6
13.	Sale or Disposition of Project Property .....	6
14.	Assignment .....	7
15.	Modification .....	7
16.	Effective Date .....	7
17.	Applicability .....	7
18.	Breach; Compliance .....	7
19.	Delays .....	8



20.	Notice .....	8
21.	Recording .....	9
22.	Headings .....	9
23.	Affirmative Action Policy .....	9
24.	Administrative Fees and Costs .....	10
25.	Relocation Costs .....	10
26.	Validity and Severability .....	10
27.	Capitalized Terms .....	11
28.	Parking Facility .....	11
29.	Limitation on Reimbursement .....	11
30.	Relocation Not Applicable .....	11

#### Exhibits

- A. Commission Resolution
- B. Ordinance
- C. The Plan
- D. Economic Activity Tax Policies and Procedures
- E. Legal Description of the Redevelopment Area and the Redevelopment Project Area

## AGREEMENT

THIS AGREEMENT is made as of December 23, 1996, between the TAX INCREMENT FINANCING COMMISSION OF KANSAS CITY, MISSOURI (the "Commission"), and UNITOG COMPANY, a Delaware corporation (the "Developer"), with respect to the following facts and objectives:

A. Pursuant to the Real Property Tax Increment Allocation Redevelopment Act, Section 99.800, RSMo 1994, *et seq.*, as amended (the "Act"), on August 14, 1996 the Commission, by Resolution #96-79, recommended to the City Council of Kansas City, Missouri (the "Council") that it approve the 13th and Washington Tax Increment Financing Plan (the "Plan"); and

B. On September 19, 1996 the Council adopted Ordinance #961187 (the "Ordinance") approving the Plan; and

C. Pursuant to the foregoing, the Commission and the Developer now desire to set forth their agreements regarding the implementation of the Plan.

NOW, THEREFORE, for and in consideration of the mutual covenants herein contained, the Commission and Developer agree as follows:

1. Items Incorporated. Attached hereto and made a part hereof as if fully set out herein are:

Exhibit A: A copy of Commission Resolution #96-79;

Exhibit B: A certified copy of the Ordinance;

Exhibit C: A copy of the Plan;

Exhibit D: Economic Activity Tax Policies and Procedures; and

Exhibit E: Legal Description of the Redevelopment Area and the Redevelopment Project Area.

2. Redevelopment Area and Redevelopment Project Areas. The Redevelopment Area and Redevelopment Project Area, within which redevelopment is to take place in accordance with the Plan, are fully described in Exhibit E attached to this Agreement. Tax increment financing for the Redevelopment Project Area shall become effective upon the approval thereof by a separate ordinance of the Council, provided, however, that any such ordinance may be changed, modified and/or amended in accordance with the Act by appropriate ordinance passed by the Council, upon the recommendation of the Commission, subject, however, to Developer's rights and obligations under this Agreement not being materially altered without Developer's consent.

3. Redevelopment Project. In accordance with the Act and subject to the provisions of the Plan and this Agreement, the Developer shall make or cause to be made improvements within the Redevelopment Project Area as set forth in the Plan (the "Project Improvements").

The Developer shall comply with and/or follow all reasonable controls and design criteria relating to exterior improvements as shall be established from time to time as described within the Plan including but not limited to Exhibit 13 thereof to create an integrated, unified design. Parking areas shall be designed with careful regard given to orderly arrangement, landscaping, ease of access and vehicular access to parking areas which shall minimize conflicts among vehicular and pedestrian movements. Ingress and egress points shall be well distant from intersections in order to avoid congestion and interference with traffic. A coordinated landscape program shall be developed in the Redevelopment Project Area to incorporate the landscape treatment for open spaces, roads, sidewalks and parking areas into an orderly and integrated arrangement.

Plans and specifications for the Project Improvements in the Redevelopment Project Area shall conform to the Plan. For the purpose of assuring such conformity, the parties agree as follows:

A. The Developer shall, not later than forty-five (45) days prior to the commencement of construction of any Project Improvements, submit to the Commission for approval (which approval shall not be unreasonably withheld) plans which shall show (i) the general size, shape and appearance of any buildings or improvements, (ii) the location thereof, and any related parking, on the lot or tract, and (iii) such other information relating to exterior improvements as is, or would be, reasonably required by the Commission. The plans shall conform to the provisions of this Agreement and such reasonable design review standards and criteria as described in Exhibit 13 of the Plan and as established by the Commission from time to time, and all applicable state and local laws and regulations.

B. Developer shall, not later than forth-five (45) days prior to construction, submit to the Commission, for its approval any material changes, amendments or modifications, if any, (collectively "Changes"), in the Project Improvements, in the schedule(s) or sequence(s) for the development of the same, in any approved plans, and/or in respect of any other aspect of the matters covered by this Agreement, along with such supporting information and documentation as the Commission shall reasonably require, or certify its intent to complete construction in accordance with the plans as approved.

C. Within forth-five (45) days following any such submission described above, the Commission shall give notice of rejection or approval. Any notice of disapproval by the Commission shall include the grounds therefor in reasonable detail. Upon receipt of any notice of disapproval, or in the event approval has not been received within forty-five (45) days, the Commission shall, at Developer's request, hold a hearing at which Developer may present new and/or additional evidence.

4. Development Schedule. While acquisition, demolition, rehabilitation and construction activities are not mutually exclusive and may therefore be undertaken simultaneously, it is the intention of the parties that such development activities be commenced and substantially completed as set forth in Exhibit 9 of the Plan (the "Development Schedule"). The parties hereto recognize and agree that market and other conditions may affect the Development Schedule, and Developer's responsibilities hereunder are subject thereto. Therefore, the Development Schedule is subject to change and/or modification, with the written approval of the Commission, upon a showing by Developer of changed conditions. In order to implement the Development Schedule, the Commission will endeavor to facilitate the timely passage of the ordinances referred to in Section 2. Developer shall render such aid and assistance as requested by Commission to insure favorable consideration of such ordinances by Council and shall take no independent action with respect to such ordinances without prior written notification to the Commission.

5. Amelioration of Existing Conditions. The Developer's undertakings under Section 3 of the Agreement are intended to ameliorate and/or eliminate those conditions which are the basis for eligibility and designation of the Redevelopment Area as a Blighted Area, in accordance with the Plan. The Developer shall undertake the activities set forth in Exhibit 7 of the Plan in accordance with the Development Schedule.

6. Maintenance and Repair. At all times during the term of this Agreement, Developer shall maintain in good repair and condition the Redevelopment Project Area and the buildings and improvements therein owned by it from time to time, except from and after the time that portions of the Redevelopment Project Area are sold, transferred or conveyed by Developer to third parties or are otherwise owned by third parties.

7. Control of Projects. Developer shall have complete and exclusive control over the construction of the Redevelopment Project and Project Improvements which it owns or controls subject however to all applicable laws, rules and regulations, including but not limited to all ordinances, rules and regulations of the City, such as subdivision regulations, zoning ordinances, building codes and property maintenance codes. As to all parts of the Redevelopment Project Area then owned by it from time to time, Developer hereby grants to the Commission, its agents and employees the right to enter at reasonable times for the purpose of inspecting the Redevelopment Project. Developer shall have complete and exclusive control over the construction, management, sale, and leasing of property owned by it from time to time within the Redevelopment Project Area, including without limitation, the selection of purchasers, the price and terms of sale, the fixing of rentals and the selection or rejection of tenants.

8. Certificate of Completion. After the completion of each Redevelopment Project, or part thereof, and upon the request of the Developer, the Commission shall conduct an investigation, and if the Commission determines that the Redevelopment Project or such part thereof, has been completed in accordance with the provisions of the Plan, then it shall issue a certificate of completion ("Certificate of Completion"). If the Commission

determines that the Redevelopment Project or any part thereof has not been completed in accordance with the provisions of the Plan, then the Commission, in writing, shall specify the reason or reasons for withholding its the Certificate of Completion.

Upon request of Developer, Commission shall hold a hearing at which Developer may present new and or additional evidence.

The issuance of the Certificate of Completion by the Commission shall be a conclusive determination of the satisfaction and termination of the covenants in this Agreement, except payments in lieu of taxes and economic activity taxes referred to in Sections 11 and 12 herein, with respect to the obligations of the Developer and its successors and assigns within the dates for the beginning and completion the Redevelopment Project, or such portion thereof, which is the subject of the Certificate of Completion and in accordance with the criteria applicable thereto as herein set forth.

Each such Certificate of Completion issued by the Commission shall contain a description of the real property affected thereby and shall be in such form as will enable it to be accepted for recording in the office of Real Estate Records in the county in which such property is located.

9. Payment of Project Costs -- "Pay as You Go Basis". The Redevelopment Project Costs which are financed by the Developer on a "pay as you go" basis or by private loan shall be paid or reimbursed, together with financing costs and interest at the rate of 8% per annum if financed on a pay-as-you-go basis or interest at the rate incurred pursuant to such private loan but not to exceed 8% per annum, as funds are available in accordance with the Plan. The Commission shall cause payment or reimbursement of Redevelopment Project Costs from the Special Allocation Fund, upon the presentation by the Developer to the Commission of a certificate from an architect, engineer or other appropriate party, certifying that Redevelopment Project Costs have been incurred and a written request of Developer for a disbursement to reimburse it for same.

Before any Redevelopment Project Costs shall be reimbursed, the Commission may make such investigation, review all bills and other evidence of monies expended in respect of such work, and review the actual work itself for conformity with the Plan, this Agreement and any approved construction plans and other plans before and as a condition to approval of such reimbursement. In the event the Commission refuses to reimburse the Developer for any amount submitted for the same, the Commission shall provide written notice of such denial setting forth the reason or reasons for such denial.

10. Payment of Project Costs -- Issuance of Obligations. At any time after the execution of this Agreement, the Commission may, at the request of the Developer, issue obligations as provided for in the Act payable from Payments in Lieu of Taxes and Economic Activity Taxes as described in the Plan (the "Obligations") for the purpose of

financing Redevelopment Project Costs upon such terms and conditions as may be agreeable to the parties.

11. Payments in Lieu of Taxes. Pursuant to the provisions of the Plan and Act, including but not limited to Section 99.845 thereof, when tax increment financing is established by ordinance for the Redevelopment Project Area, the real property located therein is subject to assessment for annual Payments in Lieu of Taxes. Payments in Lieu of Taxes shall be due November 30 of each year in which said amount is required to be paid and will be considered delinquent if not paid by December 31 of each such year; if delinquent, shall bear the same penalties as determined by the Commission with regard to administrative fees and costs in Section 24 herein. The obligation to make said Payments in Lieu of taxes shall be a covenant running with the land and shall create a lien in favor of Commission on each such tax parcel as constituted from time to time and which shall be enforceable against the Developer and its successors and assigns.

Failure to pay Payments in Lieu of Taxes as to any property in the Redevelopment Project Area shall constitute a default by the owner of such property of the provisions of Section 13(a) hereof, and shall entitle the Commission, the City, the County Collector or any other government official or body charged with the collection of any such sums (any one or more "Collection Authority") to proceed against such property and/or the owner thereof in the Redevelopment Project Area as in other delinquent property tax cases or otherwise as permitted at law or in equity, and, if applicable, such failure shall entitle the Collection Authority to seek all other legal and equitable remedies it may have to insure the timely payment of all such sums or of principal and interest on any outstanding Bonds secured by such payments; provided, however, that the failure of any property in the Redevelopment Project Area to yield Payments in Lieu of Taxes sufficient to pay Redevelopment Project Costs because the increase in the current equalized assessed value of such property is or was not as great as expected, shall not by itself constitute a breach or default. Promptly upon the designation and approval of the Redevelopment Project Area by ordinance of the City, the Commission shall use all reasonable and diligent efforts to promptly notify the County Collector, the City Director of Finance, the City Treasurer, and all other appropriate officials and persons and seek to fully implement the Payments in Lieu of Taxes and reimbursements of Redevelopment Project Costs as provided in this Agreement and in the Plan.

Notwithstanding anything to the contrary, however, the lien on property within the Redevelopment Project Area shall be deemed (a) released as to any public street or other public way included within any plat proposed by the Developer, effective upon the passage of an ordinance by the City approving the same, and (b) subordinated to the lot lines, easements and other matters established by any such plat, effective upon the passage of ordinance by the City as aforesaid, and to any easement or like interests granted to the City or any public utility for public facilities or utilities or connection(s) thereto.

12. Economic Activity Taxes. Pursuant to the provisions of the Plan and Act, when tax increment financing is established by ordinance for the Redevelopment Project Area, fifty percent (50%) of the total additional revenues from taxes imposed by the City or other taxing districts, and which are generated by economic activities within the Redevelopment Project Area, the Economic Activity Taxes, shall be allocated and when collected shall be paid by the Collecting Officer to the City Treasurer for the purpose of reimbursement or payment of Redevelopment Project Costs.

The Developer shall furnish to the Commission such documentation as is required by the Commission's Economic Activity Tax Policies and Procedures, attached hereto as Exhibit D, and shall contractually require purchasers, lessees or other transferees of property subject hereto to comply with such obligation as set forth in Section 13(b) of this Agreement.

13. Sale or Disposition of Project Property.

(a) Continuation of Payments in Lieu of Taxes. The Developer, or any third party, may sell, transfer, convey, lease or otherwise dispose of property in the Redevelopment Project Area. In the event of the sale, lease or other disposition of any or all of the real property of the Developer or any third party in the Redevelopment Project Area by voluntary transfer, by foreclosure of any deed of trust or other lien, through insolvency or bankruptcy proceedings, by order of any court of competent jurisdiction, payments in lieu of taxes with respect to the real property so sold or otherwise disposed of shall continue and shall constitute a lien against the real estate of the Redevelopment Project from which they are derived, and they shall be a covenant running with the land and enforceable as if such purchaser, tenant, transferee, or other possessor thereof were originally a party to and bound by this Agreement.

(b) Obligation to Report Economic Activity Tax Payments. Any purchaser or transferee of property, and any lessee or other user of property required to pay Economic Activity Taxes within any of the Redevelopment Project Area shall furnish to the Commission such documentation as is required by Commission's Economic Activity Tax Policies and Procedures, attached hereto as Exhibit D. Such obligation shall be a covenant running with the land and shall be enforceable as if such purchaser, lessee or other transferee or possessor thereof were originally a party to and bound by this Agreement.

(c) Obligation to Ameliorate Existing Conditions. The Developer's undertakings pursuant to Section 5 hereof shall, unless earlier satisfied and certified to pursuant to Section 8 hereof, be a covenant running with the land and shall be enforceable against purchasers or other transferees as if such purchaser or transferee were originally a party to and bound by this Agreement.

(d) Notice to Commission of Transfer. Developer shall notify the Commission in writing of any sale or other disposition of any or all of the real property in the

Redevelopment Area within ten (10) days of the date of said sale or other transfer. Said notice shall specify the name and address of the person so acquiring any or all of the real property in the Redevelopment Area and shall identify the real property sold or transferred, whether by voluntary transfer or otherwise.

(e) Incorporation of Restrictions. The provisions of subsections (a)-(c) of this Section 13, shall be incorporated in any deed from the Commission to the Developer and the Developer shall incorporate the provisions of subsections (a)-(c) of this Section 13, acceptable to the Commission, into any deed from it to another third party.

14. Assignment. This Agreement shall be binding upon and shall inure to the benefit of the Commission and the Developer and its or their lawful successors in interest. Without limiting the rights of Developer or any other third party under Section 13(a) hereof, Developer agrees that its rights, duties and obligations as Developer hereunder shall not be assignable except upon terms and conditions approved by the Commission (which approval shall not be unreasonably withheld). Upon the consummation of an approved assignment, the assignor (whether it be Developer or any other party) shall be released from all liability and obligations hereunder.

15. Modification. The terms, conditions and provisions of this Agreement can be neither modified nor eliminated except by written agreement between the Commission and Developer. Any such modification to this Agreement as approved shall be attached hereto and incorporated herein by reference.

16. Effective Date. This Agreement shall become effective on the date set forth herein, and shall remain in full force and effect until the completion of the Project Improvements included in the Redevelopment Project as described herein, and so long thereafter as any Obligations or Redevelopment Project Costs remain outstanding and unpaid.

17. Applicability. This Agreement shall apply only to the Redevelopment Project referred to herein.

18. Breach; Compliance. If the Developer does not comply with provisions of this Agreement, including provisions of the Plan, within the time limits and in the manner for the completion of the Redevelopment Project as therein stated, except for Excusable Delays, or if the Developer shall do, permit to be done, or fail or omit to do, or fail or omit to have done, anything contrary to or required of it by this Agreement, or the Act, and if, within 30 days after notice of such default by the Commission to the Developer, Developer shall not have cured such default or commenced such cure and be diligently pursuing the same if such cure would reasonably take longer than said thirty (30) day period, then the Commission may commence proceedings in law or equity to have such action, failure, omission, or threatened action or omission stopped, prevented, or rectified by injunction or other equitable relief, or the Commission may terminate this Agreement.



19. Delays. The parties understand and agree that the Developer shall not be deemed to be in default or breach of this Agreement because of delays or temporary inability to proceed due in whole or in part to causes beyond the reasonable control or without the material fault of the Developer (collectively "Excusable Delays") including war, insurrection, strikes, lockouts, riots, floods, earthquakes, fires, casualties, acts of God, labor disputes, governmental restrictions or priorities, embargoes, litigation, tornadoes, unusually severe weather, inability to obtain or secure necessary labor, materials, or tools, delays of any contractor, subcontractor, or supplier, acts or failure to act of the City, the Commission or of any other governmental agency or entity. With the approval (which approval shall not be unreasonably withheld) of the Commission, the time of performance hereunder shall be extended for the period of any Excusable Delays caused or resulting from any of the foregoing causes, it being understood that the Developer is entitled to such extensions upon presentation of reasonable evidence and/or documentation of the periods of such Excusable Delays. The Developer shall not excessively delay filing an application for extension of time, but the Developer shall not be prejudiced by failing inadvertently to make timely application therefor.

20. Notice. All written notices required by this Agreement shall be in writing and shall be served either personally or by certified mail, or by any other delivery service which obtains a receipt for delivery unless any such notice is required by law and such law provides a different form of delivery or service. Any such notice or demand served personally shall be delivered to the party being served (provided such notice may be delivered to the receptionist or any other person apparently in charge of such party's office at its address hereinafter set forth), and shall be deemed complete upon the day of actual delivery or attempted delivery, as shown by an affidavit of the person so delivering such notice. Any notice so served by certified mail shall be deposited in the United States Mail with postage thereon fully prepaid and addressed to the parties so to be served at its address hereinafter stated, and service of any such notice by certified mail shall be deemed complete on the date of actual delivery as shown by the certified mail receipt. Service of any such notice by another delivery service shall be deemed complete upon the date of delivery as shown on the receipt obtained by such delivery service.

Any notice to the Commission shall be addressed to the Secretary of the Commission  
at:

John Crawford, Executive Director & Secretary  
Tax Increment Financing Commission  
Suite 250  
10 Petticoat Lane  
Kansas City, Missouri 64106

with a copy to:

William T. Session  
The Session Law Firm  
4700 Belleview Street, Suite 205  
Kansas City, Missouri 64112

Notices to the Developer shall be addressed to:

Randolph K. Rolf  
c/o Unitog Company  
101 West 11th Street  
Kansas City, Missouri 64105-1856

With a copy to:

Richard A. King  
King Hershey Koch & Stone  
Suite 2100  
2345 Grand Boulevard  
Kansas City, Missouri 64116

Each party shall have the right to specify that notice be addressed to any other address by giving to the other party ten (10) days written notice thereof.

21. Recording. Upon full execution by Developer and Commission, this Agreement or a memorandum thereof shall be recorded by the Commission in the County's office of Real Estate Records.

22. Headings. The headings or captions of this Agreement are for convenience and reference only, and in no way define, limit, or describe the scope or intent of the contract or any provisions hereof.

23. Affirmative Action Policy. Developer will comply with the Commission's Affirmative Action Policy attached hereto as Exhibit 12 to the Plan (which is Exhibit C to this agreement) and incorporated herein by this reference. The policy is intended to provide an equal opportunity for minority-owned business enterprises, women-owned business enterprises, minorities and women to participate in the development of TIF-assisted Redevelopment Projects. The policy supports and implements the affirmative action policy of the City of Kansas City by establishing the same goals and requiring a good faith effort to meet them. The Developer will adhere to such reasonable rules, regulations, reporting procedures and forms which the Commission may from time to time promulgate for the purpose of facilitating uniform, orderly and efficient compliance with the policy and which do not alter the goals set forth in the policy or any other substantive provision. Any such

rule, regulation, procedure or form pertaining to the administration of the Policy may be amended or changed by the Commission from time to time upon notice to Developer, so long as no such amendment or change alters the affirmative action goals or other substantive provisions of the policy.

24. Administrative Fees and Costs. In order to reimburse the Commission for its administrative costs and expenses (including staff time) in connection with the preparation, development and implementation of the Plan and the performance of its obligations under this Agreement, the Commission and Developer have entered into a funding agreement (the "Funding Agreement"). Any of the Commission's actual and reasonable administrative costs and expenses related to the Plan or the Redevelopment Project which are not covered by the Funding Agreement shall be paid by Developer within thirty (30) days of having been billed for same and may be claimed by Developer as reimbursable Redevelopment Project Costs. If payment of said expenses has not been made in full within thirty (30) days of having been billed, a two percent (2%) fee will be applied to the unpaid balance as a late penalty. A two percent (2%) penalty fee will continue to cumulate monthly thereafter, up to a maximum cumulative penalty of eighteen percent (18%), until payment of all billed expenses and all penalties are paid in full.

Additional documented professional service costs and other expenses incurred by the Commission which are found by it to be reasonable and necessary for the Commission to discharge its duties under this Agreement but not directly attributable to the Plan shall be reimbursed from the Special Allocation Fund. However, in no event, shall such reimbursements exceed five per cent (5%) of the Payments in Lieu of Taxes and Economic Activity Taxes paid into such fund in any year.

Upon request of Developer, and at the sole cost of Developer, Commission shall furnish appropriate documentation of the administrative costs and expenses as referred to in this Section 24 which are in its possession, and shall allow Developer or its representatives an opportunity to audit the accounts and records of the Commission with regard to such administrative costs and expenses, such audit to be at the sole cost and expense of Developer and conducted at such time as is mutually agreeable to the parties, but in no event more frequently than annually.

25. Relocation Costs. The Commission shall not be responsible for relocation activity and cost that may be required by law. Developer agrees to provide the relocation services and benefits as provided for under the Plan and to hold the Commission harmless from any claim, cost or expense for said services and benefits made by individuals and entities arising from implementation of this Plan, except that such costs may be deemed by the Commission to be Redevelopment Project Costs. Notwithstanding, Commission may assist in administering relocation activity if requested by Developer.

26. Validity and Severability. It is the intention of the parties hereto that the provisions of this Agreement shall be enforced to the fullest extent permissible under the

laws and written public policies of Missouri, and that the unenforceability (or modification to conform with such laws or written public policies) of any provision hereof shall not render unenforceable, or impair, the remainder of this Agreement. Accordingly, if any provision of this Agreement shall be deemed invalid or unenforceable in whole or in part, this Agreement shall be deemed amended to delete or modify, in whole or in part, if necessary, the invalid or unenforceable provision or provisions, or portions thereof, and to alter the balance of this Agreement in order to render the same valid and enforceable.

27. Capitalized Terms. Capitalized terms which are used in this Agreement and are not defined in this Agreement but which are defined in the Plan shall have the meaning as defined in the Plan.

28. Parking Facility. The Developer shall allow parking by the public in the parking facility of the Redevelopment Project in the evenings and on weekends when the Developer determines that the demand for such parking by the public and the revenue which will be generated by fees paid for such parking will be sufficient to offset the costs reasonably anticipated by the Developer to be incurred by it as a result of equipping, securing, administering, managing and employing parking and security personnel for the public parking in the parking facility, subject to the needs of the Developer for parking spaces for use by its employees, invitees, visitors and contract users.

29. Limitation on Reimbursement. Notwithstanding anything in this Agreement to the contrary, the Developer shall only be reimbursed for Redevelopment Project Costs in a principal amount not to exceed \$3,769,500 (the "Principal Amount"), plus accrued interest at the rate set forth in Section 9 of this Agreement and the administrative costs and expenses of the Commission which have been paid by the Developer under the Funding Agreement or pursuant to Section 24 of this Agreement. Calculation of the Principal Amount reimbursed pursuant to this section shall be made by annually crediting payments to the Developer to the reimbursement of administrative costs and expenses, then to accrued interest, and then to the Principal Amount. In years when payments to the Developer are not sufficient to offset all outstanding accrued interest, the unpaid portion of outstanding interest shall be carried forward and added to interest accrued during the next year. In each year, when payments are made in an amount sufficient to satisfy all accrued interest, the balance of such payment shall be credited to the Principal Amount. In the event payments credited to the Principal Amount equal \$3,769,500, the responsibility of the Commission to make payments to the Developer on account of Redevelopment Project Costs shall be fully satisfied, payments to the Developer shall cease, and the Plan shall be terminated. To the extent there are outstanding amounts owed by the Developer to the Commission under the Funding Agreement or Section 24 of this Agreement, the Developer agrees to pay these amounts to the Commission prior to seeking reimbursement for other Redevelopment Project Costs, including interest, which it incurs.

8%  
Growth  
Certificate =  
\$3,811,346  
7/23/98  
\$3,769,500  
Interest  
Plus  
\$3,769,500  
Total =  
\$7,539,000

30. Relocation Not Applicable. Notwithstanding anything to the contrary set forth in Section 25 of this Agreement, the Commission and the Developer acknowledge that the

Redevelopment Area is vacant and no relocation assistance is required under the Plan or this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed pursuant to due authority as of the date first above set forth.



ATTEST:

By:

Laura Whitener  
Name: Laura Whitener  
Its: Asst. Secy

By:

TAX INCREMENT FINANCING  
COMMISSION OF KANSAS CITY,  
MISSOURI

John Crawford  
Name: John Crawford  
Its: Executive Director

Approved as to form:

Telma C. Taylor  
Counsel to the Commission

DEVELOPER

UNITOG COMPANY  
a Delaware Corporation

ATTEST:

By:

Ronald J. Harden  
Name: Ronald J. Harden  
Its: Assistant Secretary

By:

Randolph K. Roff  
Name: Randolph K. Roff  
Its: President

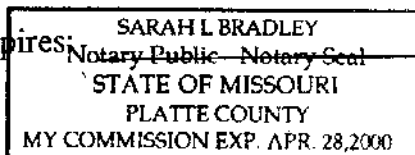
STATE OF MISSOURI    )  
                              )  
COUNTY OF JACKSON    )       SS.

On this 31<sup>st</sup> day of December, 1996, before me, a Notary Public in and for said State, personally appeared John Crawford, Executive Director of the Tax Increment Financing Commission of Kansas City, Missouri, who is personally known to me to be the same person who executed, as such official, the within instrument on behalf of said Commission and such person duly acknowledged to me that he executed the same for the purposes therein stated, and that the execution of the same was the free act and deed of said Commission.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year above written.

Sarah L Bradley  
Notary Public

My Commission Expires:



STATE OF MISSOURI    )  
                              )  
COUNTY OF JACKSON    )       SS.

On this 9<sup>th</sup> day of January, 1997, before me, a notary public, appeared Randolph K. Rolf, to me personally known, who being by me duly sworn, did say that he is the President of Unitog Company, and that said instrument was signed in behalf of said corporation by authority of its Board of Directors.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal in my office the day and year last above written.

Marian Meyer  
Notary Public

My Commission Expires:

10-14-97

MARIAN MEYER  
Notary Public - State of Missouri  
Commissioned in Jackson County  
My Commission Expires October 14, 1997



## **EXHIBIT 5**

### **A. SOURCE OF FUNDS FOR ALL ESTIMATED REDEVELOPMENT PROJECT COSTS**

1.	Estimated Amount of Reimbursable Costs from PILOTS and Operation and Activity Taxes within proposed Redevelopment Project Areas	<b>\$4,099,250</b>
2.	Estimated Private Investment and other Sources within proposed Redevelopment Project Areas	<b><u>\$8,415,875</u></b>
	<b>TOTAL</b>	<b>\$12,515,125</b>

### **B. BONDS**

The total estimated amount of PILOTS and Economic Activity Taxes over twenty-three years available to reimburse project costs is \$5,516,000. The Commission may dedicate part or all of this amount to help support the issuance of bonds to defray the cost of the projects.





## EXHIBIT 6

UNITOG HEADQUARTERS  
@ 13TH & WASHINGTON  
ESTIMATED TIF REVENUE

YEAR	FOOD & BEVERAGE SALES	CORPORATE EARNINGS	INDIVIDUAL EARNINGS	UTILITIES	TOTAL EATS	PILOTS	TOTAL PILOTS & EATS
1996	\$0	\$42,000	\$0	\$19,000	\$0	\$61,000	\$61,000
1997	\$0	\$0	\$5,000	\$33,000	\$7,000	\$45,000	\$45,000
1998	\$0	\$0	\$5,000	\$33,000	\$7,000	\$45,000	\$223,000
1999	\$0	\$0	\$5,000	\$34,000	\$8,000	\$47,000	\$230,000
2000	\$0	\$0	\$5,000	\$35,000	\$8,000	\$48,000	\$231,000
2001	\$0	\$0	\$5,000	\$36,000	\$8,000	\$49,000	\$235,000
2002	\$0	\$0	\$6,000	\$36,000	\$8,000	\$50,000	\$236,000
2003	\$0	\$0	\$6,000	\$37,000	\$8,000	\$51,000	\$242,000
2004	\$0	\$0	\$6,000	\$38,000	\$8,000	\$52,000	\$243,000
2005	\$0	\$0	\$6,000	\$38,000	\$9,000	\$53,000	\$248,000
2006	\$0	\$0	\$6,000	\$39,000	\$9,000	\$54,000	\$249,000
2007	\$0	\$0	\$6,000	\$40,000	\$9,000	\$55,000	\$255,000
2008	\$0	\$0	\$6,000	\$41,000	\$9,000	\$56,000	\$256,000
2009	\$0	\$0	\$6,000	\$42,000	\$9,000	\$57,000	\$261,000
2010	\$0	\$0	\$6,000	\$42,000	\$9,000	\$57,000	\$261,000
2011	\$0	\$0	\$7,000	\$43,000	\$10,000	\$60,000	\$269,000
2012	\$0	\$0	\$7,000	\$44,000	\$10,000	\$61,000	\$270,000
2013	\$0	\$0	\$7,000	\$45,000	\$10,000	\$62,000	\$276,000
2014	\$0	\$0	\$7,000	\$46,000	\$10,000	\$63,000	\$277,000
2015	\$0	\$0	\$7,000	\$47,000	\$10,000	\$64,000	\$282,000
2016	\$0	\$0	\$7,000	\$48,000	\$11,000	\$66,000	\$284,000
2017	\$0	\$0	\$7,000	\$49,000	\$11,000	\$67,000	\$290,000
2018	\$0	\$0	\$8,000	\$50,000	\$11,000	\$69,000	\$292,000
2019	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2020	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2021	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2022	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2023	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2024	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL	\$0	\$42,000	\$136,000	\$915,000	\$199,000	\$1,292,000	\$5,516,000

## ASSUMPTIONS:

This report shows only 50% of estimated EATS.

EATS stands for "Economic Activity Taxes". EATS include food & beverage, sales, corporate profits, earnings and utility tax

Construction done in 1996

Construction sales taxes figured at 45% of the hard costs.

Hard costs figured at \$65 per s.f. on 75,000 s.f. and \$8,500 per parking space on 225 spaces

No sales taxes are figured for ongoing operations

Construction earnings taxes figured at 45% of the hard costs.

No food & beverage are included in the EATS during operation period.

Individual earnings are based upon 3.5 employees per 1000 s.f. of office with average annual salary of \$25,000

Individual earnings are inflated at 2% per year thereafter.

Utilities are figured at a \$1.95 per square foot.

Utilities are inflated at 2% per year thereafter.

Corporate earnings provided by Unitog as \$1,000,000 per year

Corporate earnings taxes are inflated at 2% per year thereafter.

PILOTS stands for "Payment In Lieu Of Taxes". Up to 100% of the revenue attributable to increased property value are available to the project.

PILOTS are figured on a cost approach and based upon a total hard cost of \$65 per square foot

and \$8500 per parking space and then this number is multiplied by 90%.

The County Assessor's records show that the existing assessed values are \$196,080 on land and \$600 on improvements. Levy Rates are assumed to be:

Jackson County (land & improvements \$7.74/\$100 of Assessed Value

City: Land: \$2.13/\$100 of Assessed Value

Improvements \$1.38/\$100 of Assessed Value

lw

07/25/96



**EXHIBIT 7**

**DEVELOPERS PROPOSAL**

**DEVELOPER APPLICATION  
PACKAGE**

**SUBMITTED BY:**

**UNITOG COMPANY  
101 W 11th Street  
Kansas City, Missouri**

**PREPARED BY:**

**KING HERSHEY KOCH & STONE  
2345 Grand Boulevard, Suite 2100  
Kansas City, Missouri 64108-2625**

**JULY 15, 1996**

1. **APPLICANT INFORMATION**

**Applicant Name:** Unitog Company  
**Contact Person:** Randy Rolf, President  
**Business Address:** 101 West 11th Street  
Kansas City, MO 64105-1856  
**Business Phone:** (816) 474-7010  
**Fax Number:** (816) 474-0699

**Representative authorized to sign/execute documents:**

Richard A. King, Esq.  
King Hershey Koch & Stone  
2345 Grand Blvd., Suite 2100  
Kansas City, MO 64108  
Phone: (816) 842-3636  
Fax: (816) 842-2414

**General Contractor:** To be determined

**Previous Development Projects or Experience of the Organization:**

Unitog is a company which is a leading provider of high quality uniform rentals and related services to a variety of industries. Unitog's ordinary business does not include real estate development. Unitog will, however, contract with an experienced contractor.

2. **LOCATION OF REDEVELOPMENT AREA**

**General Boundaries:** north boundary: 13th Street; south boundary: 14th Street; east boundary: Washington; west boundary: Pennsylvania.

**County:** Jackson    **Council District:** 2    **Total Acreage:** 55,149 square feet  
1.266 Acres

3. **DESCRIPTIVE SUMMARY OF PLAN AND PROJECTS**

This proposal is for the adoption of the 13th and Washington Tax Increment Financing Plan and approval of a redevelopment project (the "Redevelopment Project") for the entire Redevelopment Area. The Redevelopment Project will include the construction of a 75,000 gross square-foot office building and a 225-car parking garage for Unitog's headquarters facility. The parking garage will be made available for parking by the public in the evenings, on weekends and on a space available basis during regular business hours.

#### 4. PROJECT DESCRIPTION

- a. Project Area Boundary Map. A Boundary Map of the Redevelopment Project Area is attached as Exhibit 1. The Redevelopment Project Area is the same as the Redevelopment Area.
- b. Project Area Legal Description. The legal description of the Redevelopment Project Area is attached as Exhibit 2 and provided on the enclosed diskette (3½" in ASC II format). The Redevelopment Project Area is the same as the Redevelopment Area.
- c. Current Land Use and Zoning. The Redevelopment Project Area is currently being used as a parking lot and is zoned C3a1. A Current Land Use and Zoning Map is attached as Exhibit 3.
- d. Proposed Land Use and Zoning. The Project Area is proposed to be rezoned to URD for an office building and parking garage. A Proposed Land Use and Zoning Map is attached as Exhibit 4.
- e. Off-site Public Improvements. The following is a list of the off-site public improvements to be made for the Redevelopment Project Area: curbs, gutters, sidewalks, streetlights, landscape and street improvements.
- f. Development Schedule. Steps to acquire the Redevelopment Project Area have begun and it is anticipated that acquisition will be completed within 30 days after tax increment financing is approved and construction of the Redevelopment Project will begin during the 4th Quarter of 1996 and be completed during the 4th Quarter of 1997.
- g. Historical Properties and Districts. There are no national or local historical properties or districts within the Redevelopment Project Area.
- h. Design Plans. A preliminary site plan of the Redevelopment Project Area is attached as Exhibit 5. A preliminary elevation of the office building is attached as Exhibit 6. These Exhibits are preliminary and are subject to change.

#### 5. PROJECT BUDGET

- a. Development Pro Forma. An estimate of the project costs is attached as Exhibit 7.

- b. Ten Year Operating Pro Forma. Unitog will not "operate" but will occupy the building. A ten-year pro forma detailing the overhead costs is attached as Exhibit 8.
- c. Equity Contribution. It is estimated that the project costs will be paid with an equity investment of approximately \$2,320,000. The source of the equity will be either Unitog or its developer.
- d. Private Financing. Approximately \$5,680,000 of the project costs will be privately financed. The terms of the private financing have not been determined at this time.

Note: In the event that Unitog or its selected developer does not obtain favorable financing terms from a private lender Unitog will finance the project costs from its reserves.

- e. Name of Lender(s). The source of the private financing has not been determined at this time.
- f. Private Financing Loan Application. The loan application provided to private lenders will be provided when completed.
- g. Evidence of Commitments to Finance. The evidence of commitments to finance is attached as Exhibit 9.
- h. Itemized Sources and Uses of Public Assistance. Unitog is requesting tax increment financing. See Exhibit 7 for the proposed uses of the tax increment financing revenues.



6. **CONSTRUCTION TOTALS BY PROJECT AREA\***

	<b>NEW CONSTRUCTION</b>	<b>Existing Structure to REMAIN AS IS</b>	<b>Existing Structure to be REHABILITATED</b>	<b>Total</b>		<b>Existing Structures to be DEMOLISHED</b>
<b>Square feet of OFFICE Space</b>	75,000 g.s.f.	N/A	N/A	75,000 g.s.f.		N/A
<b>Square feet of RETAIL Space</b>	N/A	N/A	N/A	N/A		N/A
<b>Square feet of INSTITUTIONAL Space</b>	N/A	N/A	N/A	N/A		N/A
<b>Total Square Feet</b>	75,000 g.s.f.	N/A	N/A	75,000 g.s.f.		N/A
<b>Number of DWELLING UNITS</b>	N/A	N/A	N/A	N/A		N/A
<b>Number of HOTEL ROOMS</b>	N/A	N/A	N/A	N/A		N/A
<b>Number of PARKING SPACES</b>	225	N/A	N/A	225		218

\* A Project Area is defined as a specific geographical area within the overall Plan Area that is developed during a specific time frame.

7. **Employment Information**

Permanent jobs to be CREATED IN Kansas City <sup>1</sup>	100
Permanent jobs to be RELOCATED TO Kansas City	-0-
Permanent jobs to be RETAINED IN Kansas City <sup>2</sup>	350
<b>TOTAL</b>	<b>450</b>
Anticipated Annual Payroll <sup>3</sup>	\$14,100,000
Estimated number of construction workers to be hired during construction phase	400

<sup>1</sup>The Redevelopment Project will allow Unitog to expand and add approximately 100 employees to its new headquarters facility. The addition of new employees will occur gradually over several years.

<sup>2</sup>There are approximately 200 jobs currently located at the headquarters facility at 101 West 11th Street and 150 jobs located at Unitog's other downtown facility at 1735 Cherry.

<sup>3</sup>The average annual salary for each employee located at the headquarters facility and the other downtown facility is \$37,000 and \$20,000, respectively. The \$14,100,000 figure assumes that all 100 additional employees are hired.

8. **ECONOMIC IMPACT**

- a. **Existing Economic Activity Taxes.** No economic activity taxes were generated in the Redevelopment Project Area during 1995 and no economic activity taxes are currently being generated.
- b. **Projected Economic Activity Taxes.** The projected economic activity taxes are attached as Exhibit 10.
- c. **Projected Payments In Lieu of Taxes.** The projected payments in lieu of taxes to be generated by the redevelopment project area are attached as Exhibit 11.

9. **CONTROL OF PROPERTY.** The current owners of the Redevelopment Project Area are as follows:

a. **Owner of the Property:**

Quality Point Partners, L.P., a Kansas limited partnership.

b. **Applicant's Interest in the Property:**

Unitog has a contract to purchase the property. The owner of the land upon completion of redevelopment project will be Unitog, an affiliated entity or its assignee.

10. **LAND ACQUISITION.**

- a. **Acquisition Map.** An Acquisition Map indicating all parcels to be acquired is attached as Exhibit 12.
- b. **Addresses of Parcels to be Acquired.** 1300 Washington.
- c. **Eminent Domain.** It is not anticipated that eminent domain will be necessary to acquire the property because Unitog has the property under contract; however, eminent domain may be requested in the event the property owner cannot obtain clear title.

11. **TAX ABATEMENT.**

Tax abatement is not being requested for any property within the Redevelopment Project Area.

12. **EVIDENCE OF COMPLIANCE WITH AFFIRMATIVE ACTION POLICY.**

Unitog believes that an aggressive affirmative action program should be an integral part of the Redevelopment Project. In that regard Unitog supports the Affirmative Action Policy of the Tax Increment Financing Commission of Kansas City, Missouri. Unitog will commit to meet or exceed the MBE/WBE goals of the Affirmative Action Policy in the construction and professional services associated with this Redevelopment Project.

Legal Description  
Redevelopment Area  
13th and Washington

The 13th and Washington Redevelopment Area is generally bounded by 13th on the north, 14th on the south, Washington on the east and Pennsylvania on the west in Kansas City, Missouri and legally described as follows:

TRACT A:

Part of the Northeast 1/4 of the Southeast 1/4 of Section 6, Township 49, Range 33, in Kansas City, Jackson County, Missouri, described as follows: Beginning at the point of intersection of the West line of Washington Street with the South line of the alley South of Balis Place, thence South along the West line of Washington Street 46 feet; thence West 123 feet; thence North 46 feet to the South line of said alley; thence East to the point of beginning.

Lot 3, and the East 1/2 of vacated alley West of and adjoining, Block 2, BALIS PLACE, a subdivision in Kansas City, Jackson County, Missouri.

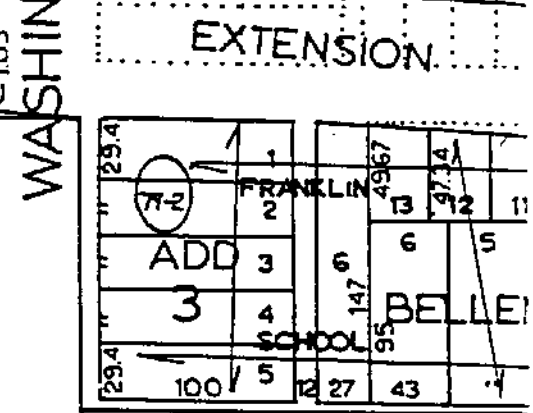
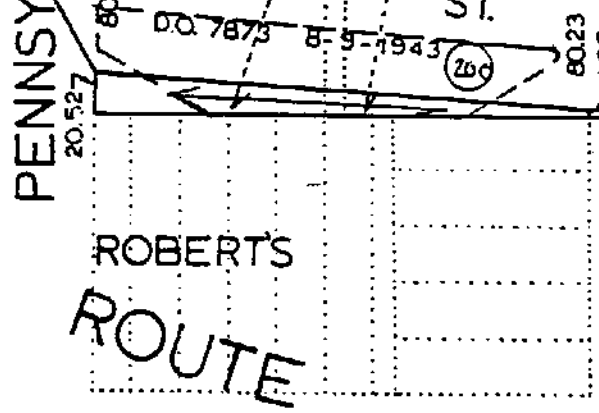
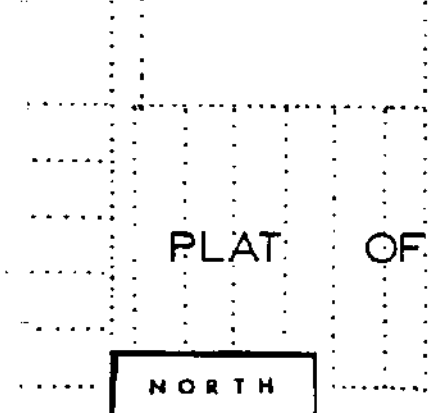
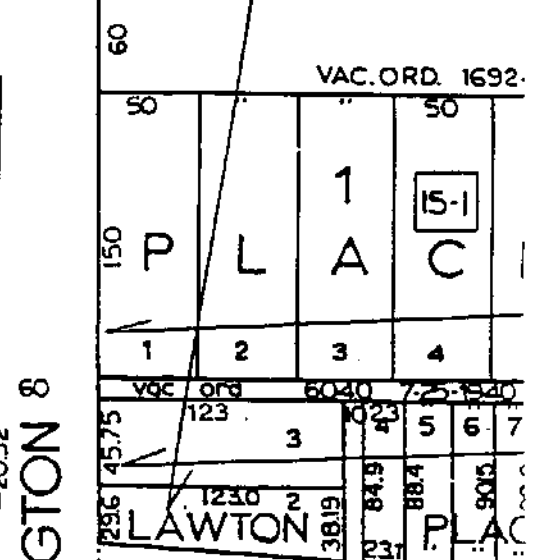
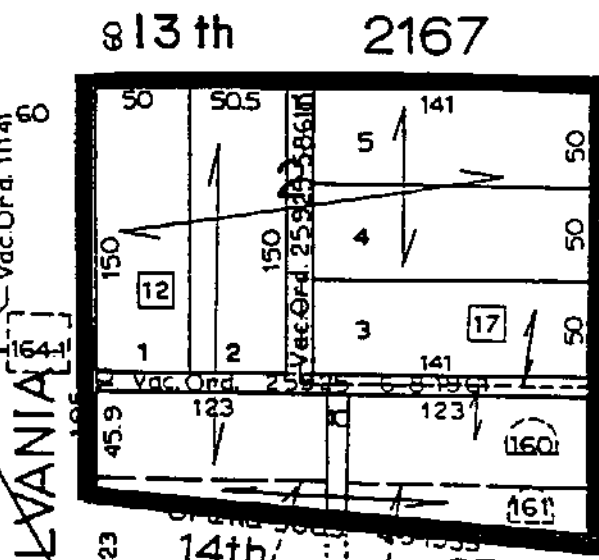
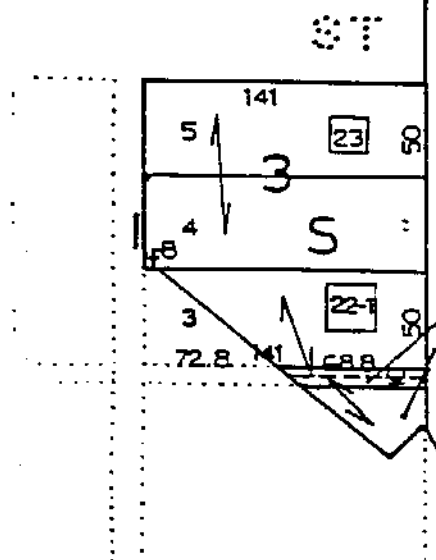
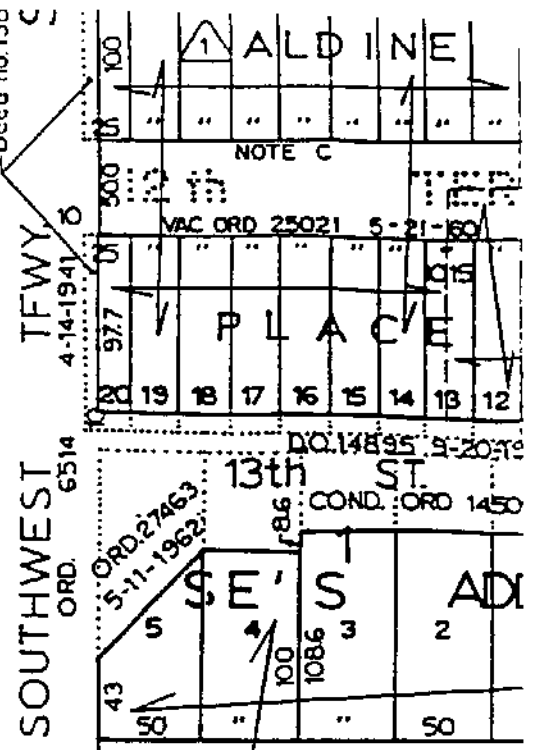
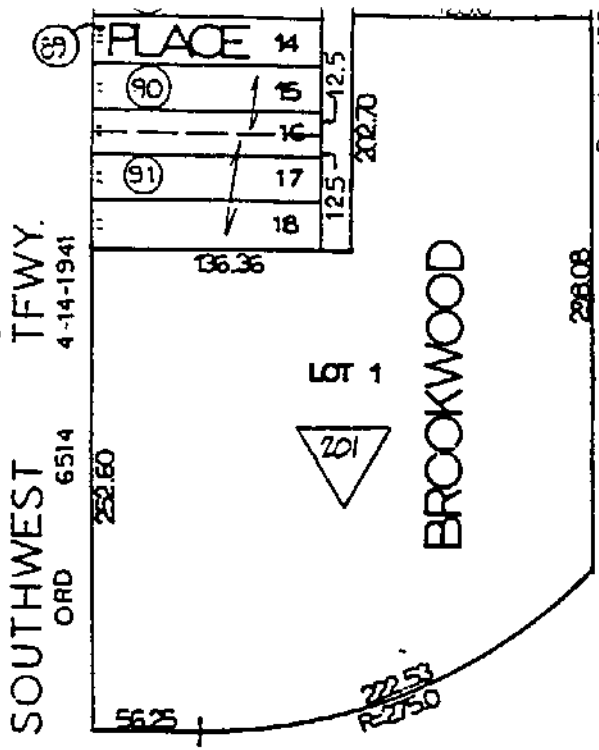
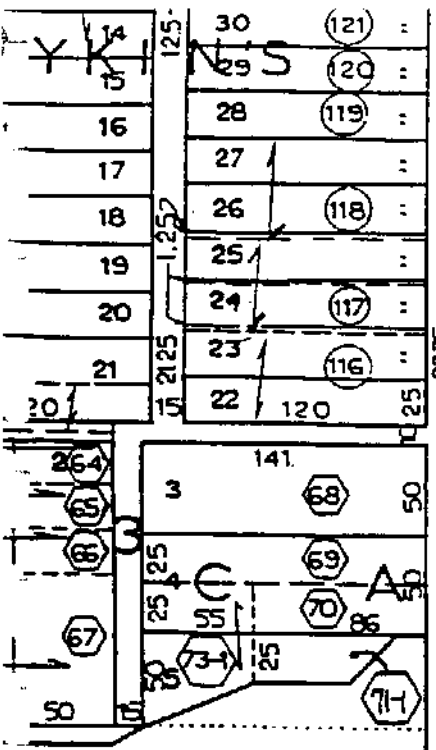
TRACT B:

All that part of the Northeast 1/4 of the Southeast 1/4 of Section 6, Township 49, Range 33, in Kansas City, Jackson County, Missouri, together with Lots 1, 2, 4 and 5 (and vacated alleys adjoining) in Block 2, of BALIS PLACE, a subdivision of land in said city, county and state, as shown on the recorded plat thereof, all being described by courses and distances as follows: Beginning at the Northwest corner of said Lot 1, in Block 2; thence Southerly along the East line of Pennsylvania Avenue, 60 feet wide, as shown on said plat of Balis Place, a distance of 205-10/12 feet to a line parallel with and distant 45-10/12 feet Southerly of the South line of the 10 foot alley adjoining said Lots 1 and 2, in Block 2, on the South; thence Easterly along said parallel line a distance of 123 feet; thence Northerly parallel with said East line of Pennsylvania Avenue, to the South line of said 10 foot alley; thence Westerly along said South Line a distance of 15 feet to the East line of the portion of said 10 foot alley vacated by Ordinance No. 26575; thence Northerly along said last mentioned East line 5 feet to the centerline of said 10 foot alley; thence Westerly along said centerline 0.50 feet to the Southerly prolongation of the East line of the West half of that alley vacated by Ordinance No. 25925, lying East of and adjacent to said Lot 2, in Block 2; thence Northerly along said last mentioned prolongation and said

East line a distance of 55 feet to the Westerly prolongation of the South line of said Lot 4, in Block 2; thence Easterly along said prolongation and said South line a distance of 148.5 feet to the East line of said Lot 4; thence Northerly along said last mentioned East line a distance of 100 feet to the North line of said Lot 5; thence Westerly along said last mentioned North line and its Westerly prolongation and along the North line of said Lots 1 and 2, in Block 2, a distance of 256 feet to the point of beginning.

TRACT C:

The North-South alley next West of Washington Street from the South line of the East-West alley next South of 13th Street to a point 46.00 feet South; and the East-West alley next South of 13th Street from the West line of Washington Street to a point 108 feet East of the East line of Pennsylvania Avenue; and the excess land acquired for street Right-of-Way for 14th Street Extension lying between the East line of Pennsylvania Avenue and the West line of Washington Street and Northerly of the North line of 14th Street Extension as established and described in Ordinance No. 4110 passed January 20, 1936, said property lying in the Northeast Quarter of the Southeast Quarter of Section 6, Township 49, Range 33, in Kansas City, Jackson County, Missouri, and being more particularly described as follows: Beginning at point on the East line of Pennsylvania Avenue 60.91 feet South of the Southwest corner of Lot 1, Block 2, "Balis Place"; thence Southeasterly along the North line of 14th Street Extension to a point on the West line of Washington Street 80.39 feet South of the Southeast corner of Lot 3, Block 2, "Balis Place"; thence North along the West line of Washington Street 24.39 feet; thence Westerly parallel with South line of said Lot 3, 123 feet to a point on the East line of a 10 foot wide North-South alley 56 feet South of the South line of said Lot 3; thence Westerly across said alley to a point on the West line thereof, 55.83 feet South of the South line of said Lot 3; thence Westerly, parallel with the South lines of Lot 3, 2 and 1, said Block 2, 123 feet to a point on the East line of Pennsylvania Avenue 5.08 feet North of the point of beginning; thence South 5.08 feet to the point of beginning, all in Kansas City, Jackson County, Missouri.



**BOUNDARY MAP OF REDEVELOPMENT AREA**  
**Exhibit 1**



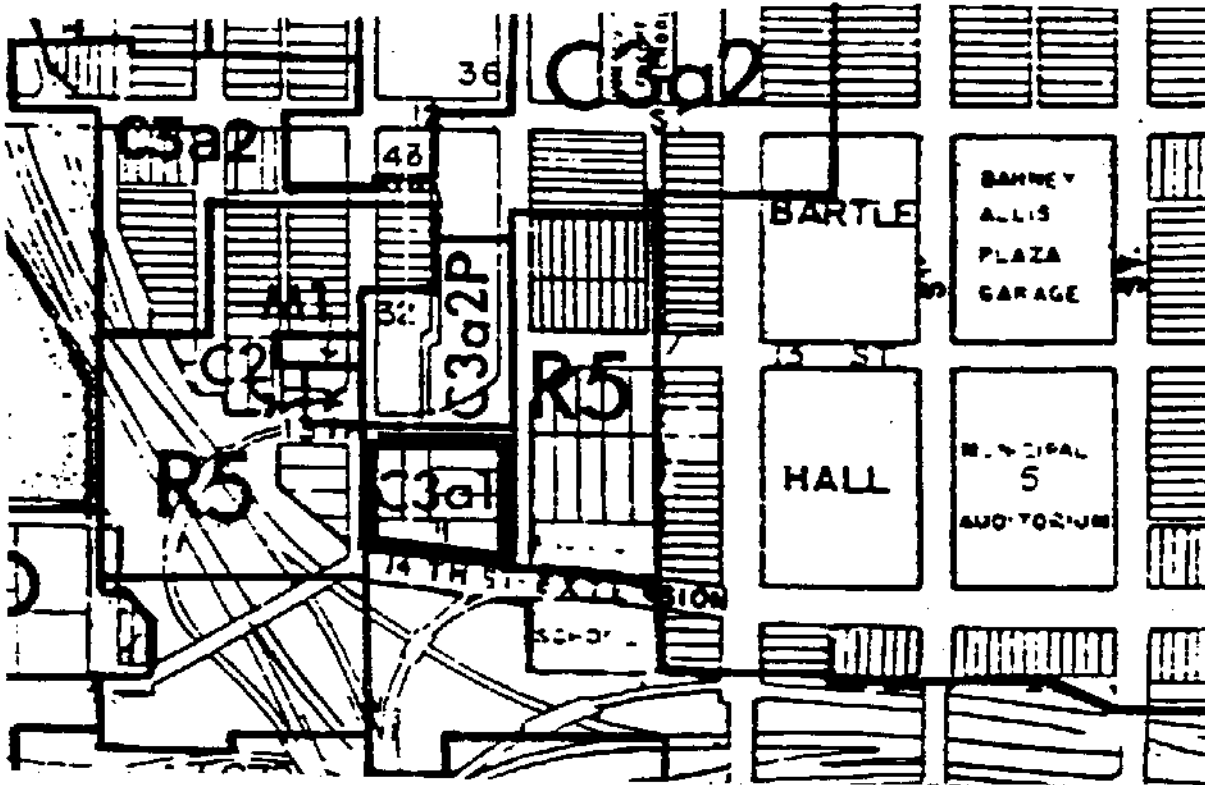
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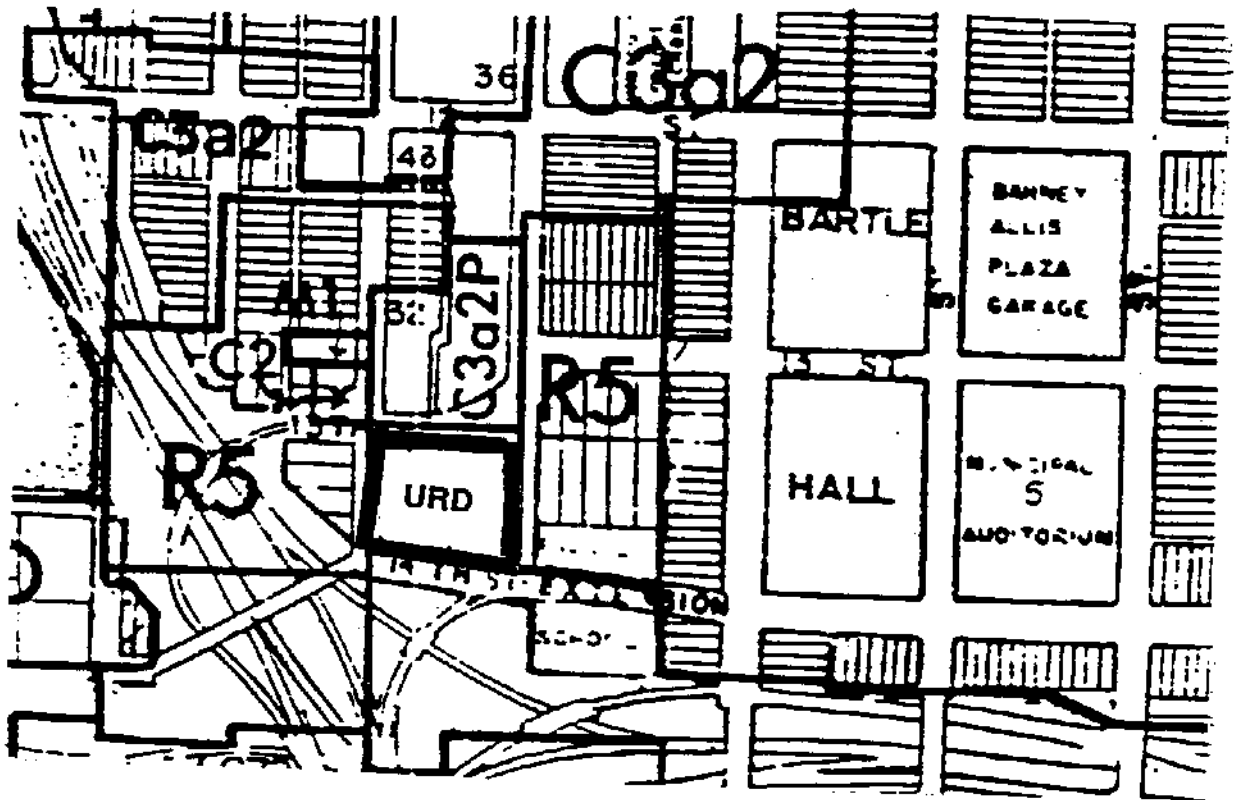
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**CURRENT LAND USE AND ZONING MAP**  
(The Redevelopment Project Area is currently  
used as a parking lot and is zoned C3a1)  
**Exhibit 3**







**PROPOSED LAND USE AND ZONING MAP**

Exhibit 4



**PRELIMINARY SITE PLAN**

**Exhibit 5**

**(TO BE PROVIDED)**

**ARCHITECT RENDERING FOR UNITOG NATIONAL HEADQUARTERS**

**Exhibit 6**

**(TO BE PROVIDED)**

**UNITOG OFFICE RELOCATION  
ESTIMATED PROJECT COSTS**

<u>LAND AND CONSTRUCTION COSTS</u>	<u>Total*</u> <u>Cost</u>	<u>Reimbursable*</u> <u>Cost</u>
Land Cost (57,447 sq. ft. x \$30.23)	\$ 1,736,875	\$1,250,000
Building Shell (75,000 sq. ft. x \$65.00)	4,875,000	
Tenant Finish (75,000 sq. ft. x \$20.00)	1,500,000	
Parking Garage (225 x \$8,500)	1,912,500	1,912,500
Architect & Engineer Fees	<u>(included above)</u>	<u>                    </u>
 Subtotal	 \$10,024,375	 \$3,162,500
 <u>SOFT COSTS</u>		
Land Interim Interest	\$ 218,000	\$ 157,000
Construction Interim Interest	496,000	
Soil, Survey & Environmental	50,000	50,000
Government & Utility Charges	75,000	75,000
Construction Period Real Estate Taxes	58,000	
Legal Fees, Closing & Title	75,000	75,000
Conventional Financing Fees & Costs	163,000	
Development Fees and Commissions	705,000	
TIF Legal & Financing Fees	250,000	250,000
Contingency	<u>71,000</u>	<u>                    </u>
 Subtotal	 <u>\$ 2,161,000</u>	 <u>\$ 607,000</u>
 Total Cost	 <u>\$12,185,375</u>	 <u>\$3,733,500</u>

\*All cost statements are estimates.

**ESTIMATED PROJECT COSTS**

**Exhibit 7**

**EXHIBIT 8**

**UNITOG COMPANY**  
**BUILDING OPERATING EXPENSE ESTIMATES<sup>1</sup>**  
**(ANNUAL)**

	<u>YEAR 1-5</u>		<u>YEAR 6-10</u>	
	<u>Total</u> <u>Amount</u>	<u>SQ.FT.</u> <u>Amount</u>	<u>Total</u> <u>Amount</u>	<u>SQ.FT.</u> <u>Amount</u>
UTILITIES	\$156,587	\$2.30	\$175,683	\$2.58
MAINTENANCE	19,096	0.28	21,388	0.31
REPAIRS	19,096	0.28	21,388	0.31
CLEANING/JANITORIAL	61,107	0.90	68,746	1.01
INSURANCE	11,458	0.17	12,985	0.19
PROPERTY TAXES	277,560	4.07	288,677	4.23
CAPITAL IMPROVEMENTS	17,050	0.25	17,050	0.25
MISC/OTHER	<u>45,830</u>	<u>0.67</u>	<u>51,177</u>	<u>0.75</u>
TOTAL	<u>\$607,785</u>	<u>\$8.91</u>	<u>\$657,093</u>	<u>\$9.63</u>

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Parking facility operating expenses are not included. It is estimated that the parking facility operating expenses will equal revenues.

**EVIDENCE OF COMMITMENTS TO FINANCE**

**Exhibit 9**

(TO BE PROVIDED)

# UNITOG OFFICE BUILDING

## ESTIMATED ECONOMIC ACTIVITY TAXES

	YEAR	EARNINGS TAX	UTILITIES TAX	TOTAL	50% of TOTAL
1	1998	\$ 63,000	\$ 32,540	\$ 95,540.00	\$ 47,770.00
2	1999	65,500	33,516	99,016.00	49,508.00
3	2000	68,120	34,522	102,642.00	51,321.00
4	2001	70,845	35,557	106,402.00	53,201.00
5	2002	73,679	36,624	110,303.00	55,151.50
6	2003	76,626	37,723	114,349.00	57,174.50
7	2004	79,691	38,854	118,545.00	59,272.50
8	2005	82,878	40,020	122,898.00	61,449.00
9	2006	86,194	41,221	127,415.00	63,707.50
10	2007	89,641	42,457	132,098.00	66,049.00
11	2008	93,227	43,731	136,958.00	68,479.00
12	2009	96,956	45,043	141,999.00	70,999.50
13	2010	100,834	46,394	147,228.00	73,614.00
14	2011	104,868	47,786	152,654.00	76,327.00
15	2012	109,062	49,220	158,282.00	79,141.00
16	2013	113,425	50,696	164,121.00	82,060.50
17	2014	117,962	52,217	170,179.00	85,089.50
18	2015	122,680	53,784	176,464.00	88,232.00
19	2016	127,587	55,397	182,984.00	91,492.00
20	2017	132,690	57,059	189,749.00	94,874.50
21	2018	137,999	58,771	196,770.00	98,385.00
22	2019	143,519	60,534	204,053.00	102,026.50
23	2020	149,258	62,350	211,608.00	105,804.00
Totals		\$2,306,241.00	\$1,056,016.00	\$3,362,257.00	\$1,681,128.50

## ESTIMATED ECONOMIC ACTIVITY TAXES

## ASSUMPTIONS

### EARNINGS TAX

a. Payroll (Headquarters facility employees only)	\$ 6,300,000
b. Corporate Taxable Earnings:	\$ 1,000,000
c. Earning Tax Rate:	1%
d. Annual Inflation/Growth Rate:	4%

### UTILITIES TAX

a. Annual Expense for Electric:	\$1.75/sq.ft. (rentable)
b. Annual Expense for Water:	\$ .05/sq.ft. (rentable)
c. Annual Expense for Gas:	\$ .25/sq.ft. (rentable)
d. Annual Expense for Telephone:	\$186,000 (Unitog only)
e. Utilities Tax Rate:	10%
f. Square Feet:	75,000 (gross) 68,000 (rentable)
g. Annual Inflation/Growth Rate:	3%

### PRESENT VALUE

(Discount Rate: 8%)

	<u>Total</u>	<u>50% of Total</u>
Earnings Tax	\$ 913,588	\$ 456,794
Utilities Tax	<u>432,044</u>	<u>216,022</u>
Total PV	<u>\$1,345,632</u>	<u>\$ 672,816</u>

## **ESTIMATED ECONOMIC ACTIVITY TAXES**



# UNITOG OFFICE RELOCATION

## ESTIMATED PAYMENTS IN LIEU OF TAXES

	YEAR	PILOTS
1	1998	\$ 262,368
2	1999	267,615
3	2000	267,615
4	2001	272,968
5	2002	272,968
6	2003	278,427
7	2004	278,427
8	2005	283,996
9	2006	283,996
10	2007	289,675
11	2008	289,675
12	2009	295,469
13	2010	295,469
14	2011	301,378
15	2012	301,378
16	2013	307,406
17	2014	307,406
18	2015	313,554
19	2016	313,554
20	2017	319,825
21	2018	319,825
22	2019	326,222
23	2020	326,222
Total		\$6,775,438.00

### ASSUMPTIONS

1. 1995 Market Value: Land: \$787,292;  
Improvements: \$708; Total: \$789,000
2. 1995 Assessed Value: Land: \$252,250;  
Improvements: \$230; Total: \$252,480
3. Market Value (Increment only) in Year 1: \$9,000,000
4. Assessed Value (Increment Only) in Year 1:  
\$2,880,000
5. Assessment Rate: 32%
6. Levy Rate: 9.11% (6.323% Jackson  
County & other Taxing Districts;  
1.35% Kansas City; 1.437 Replacement tax)
7. Inflation/Growth Rate: 1% every year with  
reassessments every odd numbered year

### PRESENT VALUE OF PILOTS

(Discount Rate: 8%)  
\$2,958,303

## ESTIMATED PAYMENTS IN LIEU OF TAXES

Exhibit 11



**EXHIBIT 8**

**EXISTING CONDITIONS STUDY**

**BLIGHT STUDY**

**PROPOSED UNITOG HEADQUARTERS SITE..**

**1300 WASHINGTON  
KANSAS CITY, MISSOURI 64105**

**PREPARED FOR:**

**RICHARD A. KING, ESQ.  
ROXSEN E. KOCH, ESQ.  
KING, HERSHEY, KOCH & STONE  
2345 GRAND BOULEVARD, SUITE 2100  
KANSAS CITY, MISSOURI 64108-2625**

**EFFECTIVE DATE:**

**JULY 8, 1996**

**NUNNINK FILE NO. 96-0895**



Kevin K. Nunnink, MAI  
Thomas H. Slack, MAI  
Timothy J. Keller, MAI  
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Douglas A. Heinrich, MAI

**NUNNINK**  
ASSOCIATES, INC.

July 19, 1996

Richard A. King, Esq.  
Roxsen E. Koch, Esq.  
KING, HERSHEY, KOCH & STONE  
2345 Grand Boulevard, Suite 2100  
Kansas City, Missouri 64108-2625

RE: **Blight Study**  
Proposed Unitog Headquarters Site  
1300 Washington  
Kansas City, Missouri 64105  
NUNNINK FILE NO. 96-0895

Dear Mr. King and Ms. Koch:

Pursuant to your request and authorization the analysts have inspected the proposed location of the Unitog National Headquarters, an office building and parking garage to be located at 1300 Washington in Kansas City, Missouri. This property comprises the proposed redevelopment project area. An inspection was made in conjunction with a determination of whether or not the area is blighted, as defined in Section 99.805 of the Revised Statutes of Missouri. This section is part of Sections 99.800 to 99.865, comprising the "Real Property Tax Increment Allocation Redevelopment Act."

As explained in detail in the report which follows, it is the opinion of the analysts that the area is blighted within the definition of the statutes referenced above, as of July 8, 1996. The effective date is the date on which the property was inspected for purposes of this study.

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REAL ESTATE APPRAISERS, CONSULTANTS & ASSET MANAGERS  
*Individual Membership Valuation Network Inc.*

*Respond To Office Indicated:*

☐ CHICAGO OFFICE

300 S. Wacker Drive, Suite 3525 • Chicago, Illinois 60606-6610  
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Mr. Richard A. King  
Ms. Roxsen E. Koch  
July 19, 1996  
Page 2

You should note the term "blight" is a statutorily specifically defined term, which does not necessarily coincide with the generic or common definition of the word. For these purposes, a blighted area is one "that, by reason of the predominance of defective or inadequate street layout, insanitary or unsafe conditions, deterioration of site improvements, improper or obsolete platting, the existence of conditions endangering life or property by fire and other causes, or any combination of such factors, retards the provision of housing accommodations or constitutes an economic or social liability or a menace to 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 "an impaired condition." However, in order to be blighted under the statutory definition, it is not required that a property meet Webster's definition.

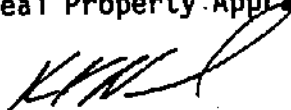
As explained in the attached report, it is the opinion of the analysts that the area is blighted within the definition of the statutes referenced above, as of July 8, 1996.

Very truly yours,

NUNNINK & ASSOCIATES, INC.



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



Kevin K. Nunnink, MAI  
State of Missouri Certified General  
Real Property Appraiser (RA 001895)

KKN/THS/pgs

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## TABLE OF CONTENTS

	<u>Page No.</u>
CERTIFICATION . . . . .	1
HISTORY OF THE PROPERTY . . . . .	3
IDENTIFICATION OF PROPERTY . . . . .	4
FUNCTION OF THE REPORT . . . . .	4
PURPOSE OF THE REPORT . . . . .	4
SCOPE OF THE REPORT . . . . .	4
EFFECTIVE DATE OF REPORT . . . . .	4
METHOD OF ANALYSIS . . . . .	5
SUMMARY CENTRAL BUSINESS DISTRICT ACTIVITY . . . . .	7
PREVAILING TRENDS . . . . .	7
DESCRIPTION OF LAND . . . . .	14
BLIGHT FACTORS . . . . .	17
QUALIFICATIONS OF ANALYSTS . . . . .	21

### ADDENDA:

ADDENDUM A	- APPLICABLE STATUTES
ADDENDUM B	- TITLE REPORT
ADDENDUM C	- SUBJECT PHOTOGRAPHS
ADDENDUM D	- PROPOSED DEVELOPMENT COSTS
ADDENDUM E	- CRIME STATISTICS

### CERTIFICATION

The analyst certifies that, to the best of his knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions and are the analyst's personal, unbiased professional analyses, opinions and conclusions.
3. The analyst has no present or prospective interest in the property that is the subject of this report and no personal interest or bias with respect to the parties involved. The services performed herein are intended to result in an analysis, opinion or conclusion of a disinterested third party.
4. The analyst's compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result or the occurrence of a subsequent event.
5. Receipt of the assignment was not based upon a requested minimum value, a specific value or approval of a loan.
6. The analyst's analyses, opinions and conclusions were developed and this report has been prepared in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP). The analyst has not relied upon any departure provision of USPAP.
7. The analyst's 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.
8. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
9. As of the date of this report, Thomas H. Slack, MAI, and Kevin K. Nunnink, MAI, have completed the requirements of the continuing education program of the Appraisal Institute.

### **NUNNINK & ASSOCIATES, INC.**

**REAL ESTATE APPRAISERS, CONSULTANTS & ASSET MANAGERS**

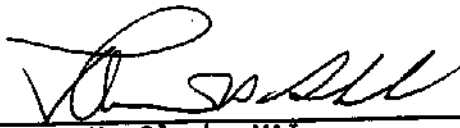
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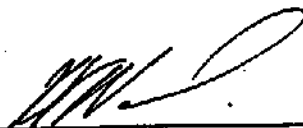
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10. Thomas H. Slack, MAI, and Kevin K. Nunnink, MAI, have made personal inspections of the property that is the subject of this report.
11. No one provided significant professional assistance to the persons signing this report.



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



Kevin K. Nunnink, MAI  
State of Missouri Certified General  
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## HISTORY OF THE PROPERTY

### Last Deed:

The subject was purchased by Steve S. Pack and Louis D. Pack on July 30, 1985 at a price of \$1,175,000, according to information provided by a lender. This is slightly less than reported to our office by Louis Pack several years ago, when the sale price was reported to be \$1,250,000, plus an estimated \$50,000 demolition costs. The property was improved with a sixty-nine room motel, The Century Inn (formerly the Executive Motel). The subject was purchased with the intent to raze the motel and develop the site.

Messrs Pack and Pack sold the subject to a related limited partnership, Quality Point Partners, L.P. in November of 1985. The sales price was \$1,375,000. The sales price included the original purchase price of \$1,175,000, \$65,560 in carrying costs from July to November 1985, and \$134,440 in profit to Messrs Pack and Pack. Quality Point Partners, L.P. razed the motel at an approximate cost of \$35,000 in 1987. The readers should note the purchase price shown of \$1,175,000, plus \$65,560 in carrying costs approximates the \$1,250,000 purchase price reported by Mr. Pack to our office in approximately 1986.

### Rental History:

The subject was improved with, and operated as, a sixty-nine room motel until 1987. In 1987 the motel was razed and a surface parking lot was constructed.

The surface parking lot is an interim use for the subject. The parking lot improvements were leased to All City Parking Service, Inc. for \$1,000 per month base rent and seventy-five percent (75%) of the gross revenue in excess of \$2,000 per month in percentage rent. The lease was for two years, expiring September 30, 1989. At the present time the property does not appear to be usable as a commercial parking lot.

A ten-foot by ten-foot section of the subject along 14th Street was leased to Martin Sign Company approximately five years ago. The term of the lease is ten years but is cancelable upon the property's sale or development. The billboard improvements are to be removed by lessee within thirty days of receiving an applicable building permit for development of the subject. The annual rent from Martin Sign Company is 30% of gross revenue derived from the sign rental, but not less than \$8,280.

### Current Contract:

According to information provided by attorneys for the redeveloper, the property is presently under contract for sale to Unitog Company, with the closing date scheduled to occur during the last week of September, 1996.

## **IDENTIFICATION OF PROPERTY**

The property analyzed consists of a public surface parking lot which encompasses a city block and is bounded on the north by 13th Street, on the south by 14th Street, on the east by Washington, and on the west by Pennsylvania Street. The property is located at the extreme southwest corner of the Central Business District of Kansas City, Missouri. The site contains a total of 56,758 square feet, which is proposed to be improved with a 75,000 square foot headquarters for Unitog Company. Also included will be a multi-level parking garage to be designed to serve the needs of Unitog, as well as be available for public use in conjunction with events at Bartle Hall, the convention center located one block east of the site.

## **FUNCTION OF THE REPORT**

This blight study has been prepared for use in conjunction with an application for tax increment financing, pursuant to Revised Missouri Statute 99.800.

## **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 99.805 of the Revised Statutes of Missouri.

## **SCOPE OF THE REPORT**

At the request of the client, this blight study is not limited in scope. That is to say, the analysts, in preparation of this blight study, 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 the representatives of the Kansas City Police Department, The Kansas City Economic Development Council, the Missouri Division of Employment Security, Glaze Commercial Real Estate Advisors and other knowledgeable real estate professionals. In the preparation of this report, the analysts have completed a physical inspection of the subject property, immediate neighborhood and the competitive market area.

## **EFFECTIVE DATE OF REPORT**

The effective date of this blight study is July 8, 1996. Unless otherwise stated, all factors pertinent to a determination of blight were considered as of that date.

## METHOD OF ANALYSIS

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 99.805 of the Revised Statutes of Missouri, was used:

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

In determining whether the area under review is blighted pursuant to these definitions, the analyst first reviewed the general conditions in the central business district of the City of Kansas City, particularly trends in the area as they relate to an indication of whether this portion of the city is blighted. In reviewing the history of the statute, the analysts noted little historic use of the tax increment financing (TIF), until relatively recently, with developers having primarily utilized Chapter 353 abatement. With regard to blight, as applied to 353 cases, the analysts 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." Instead, the term "blighted" for purposes of this statute requires a finding that the Redevelopment Area on the whole has a predominance of one or more of the following conditions:

1. defective or inadequate street layout;
2. insanitary or unsafe conditions;
3. deterioration of site improvements;
4. improper subdivision or obsolete platting; or
5. the existence of conditions which endanger life or property by fire and other causes;

and as a result of these conditions, the Redevelopment Area:

- a. retards the provision of housing accommodations;
- b. constitutes an economic or social liability; or;
- c. constitutes a menace to the public health, safety, morals or welfare in its present condition and use.

The analysts have analyzed the existing land and surface parking and signage improvements, as well as proposed improvements and associated 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, inadequate and defective street layout, obsolete platting, deterioration and insanitary or unsafe conditions were reviewed. The various factors were then reviewed in the aggregate to determine a final conclusion as to whether the area is a "blighted area."

## SUMMARY CENTRAL BUSINESS DISTRICT ACTIVITY

The subject property is located in the southwest portion of the central business district of Kansas City, Missouri which is generally bounded by 16th Street to the south, Pennsylvania Avenue to the west, Cherry Street to the east and Sixth Street to the north. The area being studied is located within the area designated as the residential portion of the central business district under the city's proposed functional organization concept map, which was drafted during the 1980's. The area is located adjacent to the hotel and convention center district, with the dividing line at Broadway. This area west of Broadway includes several mid-rise apartment projects, all constructed at least thirty years ago, a large church, several office buildings for 1950 to 1960 vintage, one office building developed in 1983 and very little new construction. In the past ten years, new construction consists of the McCormick, Baron Quality Hill apartment/townhome project, a parking garage west of Broadway and south of 13th Street, developed by the city in conjunction with expansion of Bartle Hall, which is on the east side of Broadway, and a new renovation project in the old garment district area at the north end of Broadway, now being redeveloped by DST. In general, however, the neighborhood did not have enough activity during the peak CBD commercial construction years from 1983 to 1989 to appear modern and vibrant.

Development of the Kansas City, Missouri Central Business District 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 U.S. cities in which the retail and residential developments that were 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 and department stores, restaurants, apartments/condominiums and a few hotels.

## PREVAILING TRENDS

### Office:

In the 1980's, downtown Kansas City, Missouri, experienced one of the major expansion periods of development of major Class "A" office space in its history. The largest office building recently constructed is the AT&T Town Pavilion at 1101 Main/1122 Walnut. This 38-story building contains approximately 1.2 million gross square feet of office and retail space, and approximately 925,000 net rentable square feet of office. There is also a 2,200 car parking garage which is attached to the Town Pavilion by an elevated enclosed walkway, located at the southeast corner of 12th and Walnut Streets. The reader should note the 29-story Walnut Building office tower sits atop the northwest portion of the parking garage, with 24 stories above the garage and five smaller floors in front of the garage. The Walnut Tower office building was completed in 1991, with approximately 80% of the 477,878 square feet of net rentable area having been leased prior to completion.

Also, at 1200 Main Street is One Kansas City Place, which contains approximately 897,000 gross square feet and 780,684 net rentable square feet. This 42-story office tower is the tallest building in the State of Missouri and opened in January, 1988.

Within the CBD, the most recently completed buildings are One Petticoat Lane, Eleven Broadway Square and Walnut Tower, along with 2600 Grand in Crown Center. One Petticoat Lane is sandwiched between the new AT&T, Commerce Bank and United Missouri Bank buildings. The building contains 136,210 gross square feet of office and retail space. Eleven Broadway Square contains 315,000 gross square feet and 260,000 rentable square feet and was constructed at 11th and Broadway. These two buildings opened in 1989. The Walnut Tower and 2600 Grand buildings containing 478,000 and 240,000 square feet of net rentable area, respectively, opened in 1991.

The construction over the six years from 1985 to 1991 added over 4,500,000 gross square feet of new Class "A" office space to downtown Kansas City or roughly 750,000 square feet per year. Within the CBD, approximately 3,580,000 square feet were constructed. All of the major office projects were developed with the benefit of tax abatement.

#### Office Trends:

In terms of job growth in the service sector, the area commonly referred to the central business district increased 22.6% or roughly 2% per year from 35,594 in 1980 to 43,631 in 1990. Estimating demand of 250 square feet of office space per service sector employee indicates the 8,000 new jobs in services equates to demand for 2,009,250 square feet of office space, or 56% of the 3,580,000 square feet of new office space constructed in the central business district in the 1980s. From 1980 to 1990, the actual Class "A" absorption has been higher than that indicated by employment statistics. This may be a result of several factors. First there appears to have been considerable pent-up demand for new office space prior to 1985 due to very limited amount of new downtown construction from 1978 through 1984. As an example, AT&T vacated about 600,000 square feet when it moved into its new building in 1986/87, but few, if any, new employees were added. (Approximately 3,000 AT&T employees occupied 810,000 square feet for an average of 270 square feet per employee). Second, the amount of space occupied per employee was increasing, although that trend has reversed itself.

Total job growth in the central business district increased 4.7% or 0.5% per year from 53,130 in 1980 to 55,652 in 1990, or total net growth of only 2,500 jobs. Thus, growth in jobs has been virtually non-existent, resulting in huge vacancies in older office space and very limited success in newer retail space as higher rents are not coupled with increased traffic.

Employment in the service sector is projected to grow to 44,263 in the year 2000 for a net increase of 632 jobs. Estimating demand of 250 square feet of office space per service sector employee indicates total demand of 158,000 square feet for the ten year period from 1990 to 2000.

### Retail:

Contrary to office redevelopment, the central business district continues to decline as a retail center. Only the AT&T Town Pavilion has included any significant new retail space, while Dillard's (old Macy's) has discontinued use of the building, which has been vacant for about five years (i.e. presently being rated) and is the location of a proposed parking garage. Woolf Brothers sold its building and reopened in much smaller AT&T space before closing completely, and Jones Store would like to reduce its retail square footage Downtown. Only two of the 11 spaces on the first floor of One Petticoat Lane which were allotted to retail use have been leased in the six years the building has been open, and those tenants subsequently vacated. In 1986, the Mid-America Regional Council projected retail trade employment to increase throughout the metro area in the 1990's by 9%, while CBD retail trade employment was projected to decline by 29%. Moreover, a 20 year forecast to 2010 projects a 33% decline in the CBD from 1990.

### Hotels:

One area of downtown that has suffered the longest and most consistently is the hotel market. The Marriott Allis Plaza is the only existing first class hotel within the central business district. It was built in the early 1980's with the benefit of loans and other financial support from community groups and local banks. Nevertheless, it has been the subject of constant financial problems, loan defaults and changes of ownership. CIGNA wrote off millions of dollars of debt in hopes of being paid off on the remainder, concurrent with the ownership's request for tax increment financing to fund construction of a 430 room expansion on an adjacent site. The site has recently been cleared for the addition, which will enable the Allis Plaza to market itself as a 1,000 room convention hotel.

Older CBD hotels include the Americana Hotel, which has historically been marketed as a 482 room hotel. It was closed, then sold in 1994 for a reported price of \$2.8 million, indicating a price of \$5,800 per room, with the new owners intending to use TIF to renovate and reopen the hotel as a first class hotel for convention travelers. The Radisson Suites Hotel has 214 rooms. This project is the former Phillips House Hotel, which was renovated in the late 1980's at a reported cost of approximately \$12 million. The hotel was originally constructed in 1930. The current marketplace would not indicate a value approaching the renovation cost. The Rodeway Inn at Sixth and Main was a 244 room, full-service hotel, which closed within the past few years and was razed in April, 1996, to become a parking garage site. The Embassy on the Park/Days/Holiday Inn Citi Center Hotel is a 191 room project at 11th and Wyandotte. It has changed flags, changed ownership, but survived as essentially a limited service hotel over the years. Finally, the Howard Johnson Hotel at 6th and Washington was built in 1958 as a Hilton, later converted to a Ramada, then to a Howard Johnson. The underlying ownership group sold the property on several occasions, carrying back financing, then foreclosed repeatedly. The current ownership/management group has been in possession for approximately three years, assuming an existing note, paying back bills and back taxes, as well as beginning some

renovations of the hotel. Reported occupancy and ADR have increased over the past two to three years, although rates are far from adequate to justify new construction.

A 1991 Convention Center Hotel Study prepared by Deloitte & Touche for the Economic Development Corporation of Kansas City, Missouri, found that a privately financed 1,000 room garage and hotel could support debt of slightly less than \$28 million, compared with an estimated project cost of \$140 million, requiring tax increment financing and other debt or investment support of approximately \$112 million. Consequently, while a new convention center hotel has been discussed for well over five years, there is not yet one under construction.

### Residential:

Regarding apartment usage, several apartment renovation programs occurred at the periphery of the central business district and achieved mixed success over the past ten to fifteen years. Chief criteria for success includes location, amenities, and the quality of construction/renovation. Many of the downtown apartment buildings do not feature proximity to the major office buildings that allow tenants to walk to work during inclement weather. The most notable residential project is Quality Hill, located west of Broadway, generally between Ninth and Twelfth Streets. New townhomes were built using various types of government grants, loans or subsidies in the mid 1980's. The population statistics provided below indicate the reason nonsubsidized projects are not common.

### Population:

The Kansas City central business district population was 4,045 in 1990, as determined by the United States Census Bureau. The most current estimate for 1994 is 3,622 people. The CBD consists of Census Tracts 11, 12, 13, 14 and 28.01. Despite unprecedented new commercial construction and the redevelopment of the Quality Hill residential area during the 1980's, the CBD population declined 19.9% from 5,053 in 1980 to 4,045 in 1990 and an additional 10.5% so far during the 1990's. As a further note, the combined central business district population in 1980 of 5,053 compares with a 1970 population of 5,453 and a 1960 population of 9,893. Thus, since 1960, the population has declined by 63%. Furthermore, Mid-America Regional Council projects the population will decline to 3,611 by 2000, to 3,250 by 2010 and to 3,165 by 2020.

### Crime:

As noted previously, one of the factors influencing a determination of blight is the presence of conditions causing increased criminal activity. Unfortunately, due to inconsistencies in reporting statistics over a long period of time, it is difficult to identify trends with regard to crime statistics in the central business district. The appraisers have reviewed



the Kansas City, Missouri police department's annual statistical summary by report area. The subject is located near the boundary of Area 112, an area which is bounded on the north by Independence Avenue or 6th Street, on the south by 11th Street, on the west by Broadway and on the east by Charlotte. This area encompasses essentially the north half of the central business district and includes approximately 72 blocks. The subject is physically or technically located in Area 111. However, most of this area is across the highway from the subject. Thus, Area 112 is analyzed in detail as it fairly represents the central business district, overall. As shown on the chart below, Part 1 offenses, considered the most serious of crimes, have been relatively stable over the past five years, although 1994 reported a 27% increase over 1993, with 1,493 Part 1 offenses, primarily attributable to a significant increase in robbery, aggravated assault, burglary and larceny. Violent offenses, consisting of murder, forcible rape, robbery and aggravated assault, totalled 243, greater than in any of the past five years. Fortunately, both Part 1 felonies and violent crimes declined in 1995 back to historic levels, with 1,238 felonies reported and 187 violent crimes.

In contrast, some historic information was obtained from a report based upon the Uniform Crime Reporting System, with crime statistics reported in the central business district for 1980 and 1983. Reportedly, crime statistics for 1980 and 1983 encompass the central business district, defined as properties located within the CBD loop, or the area surrounded by the Crosstown Freeway system. In contrast to this area of approximately 145 city blocks, 1990 through 1995 crime statistics are based upon an area approximately one-half the size being considered in the early 1980's. For instance, the 1983 statistics indicated an average of 15.1 crimes per block based on 145 blocks being located in the area. In contrast, crimes per block ranged from 15.2 to 20.7 for the smaller area including the subject over the past five years. Thus, on a per block basis, criminal activity has been relatively consistent, at least until the 1994 increase. However, if one considers the population in the area, the number of crimes per person has increased dramatically over the past decade. Based on 1980 population statistics, Part 1 felonies occurred at a rate of between one for every three people and one for every four people living in the area during the early 1980's. During the 1990's, the number of Part 1 felonies per capita has increased to over one Part 1 felony for every person living in the area, more than triple the rate of ten years previous. For 1994, this rate jumped to 1.42 crimes per person, before declining to 1.10 in 1995. Thus, despite a declining population, the statistics identify the continuing problem with crime in the area.

Offense	1980	1983	1990	1991	1992	1993	1994	1995
Murder	4	1	2	2	1	3	3	1
Forcible Rape	12	4	6	4	8	4	4	10
Robbery	178	129	89	155	145	115	156	102
Aggravated Assault	74	100	48	79	63	70	80	74
Total Violent Offenses			145	248	217	192	243	187
Burglary	299	222	157	149	121	119	206	100
Larceny - Theft	1,945	1,593	664	621	660	709	895	787
Auto Theft	224	120	222	250	157	148	143	161
Arson	9	18	7	5	7	6	3	3
Total Part I Crimes	2,745	2,187	1,195	1,265	1,162	1,174	1,493	1,238
Blocks in Study	145	145	72	72	72	72	72	72
Crimes per Block	18.9	15.1	16.6	17.6	16.1	16.3	20.7	17.2
Population	8,882	8,882	1,710	1,710	1,710	1,050	1,050	1,125
Felonies per Person	.31	.25	.70	.74	.68	1.12	1.42	1.10

#### Overall Commercial Demand:

Since 1991, the only significant new commercial project completed in the central business district is the \$130 million expansion of Bartle Hall, the city's primary convention center, with the project completed in 1994. The city expanded the convention center downtown at 13th and Central, from less than 200,000 square feet to over 400,000 square feet, with the expansion spanning the Crosstown Freeway. This huge public project appears to fall within the purview of Section 36.2 and Chapter 353 abatement, relating to a determination of the necessity for the legislation, in which there is reference to existing blighted areas which "occasions large outlays for the creation of public facilities and services ..." It appears TIF was designed to serve essentially the same purpose of encouraging development and this enabling legislation may be equally applicable. There is no evidence of any private investment contemplated to develop convention related facilities.

The reader should also note a major hotel has been discussed in conjunction with Bartle Hall for a number of years, with the project expected to range from 400 to 1,000 rooms, depending upon ultimate city approval. Several proposed projects were delayed for at least three years, then appear to have been ultimately shelved as each project contemplated that a majority of the funding will be provided through the City of Kansas City. Independent feasibility studies indicate the projects were not economically feasible without substantial sums of public dollars. Both a World Trade Center and a major hotel were discussed by the Ross Perot-Whitney Kerr group following expansion of Bartle, but city funding support was not deemed adequate, and

Bartle opened without a concurrent new hotel. However, the Americana Hotel is undergoing for a major renovation using Tax Increment Financing (TIF) and the Marriott Allis Plaza will add a 430 room expansion, again using TIF.

A second major anticipated project in the central business district is a new federal courthouse, to be located east of the existing courthouse and north of city hall, with plans envisioning a city funded open air mall and park area to connect the federally funded new project with the existing city hall. Funding is now in question, however, as the new congress attempts to balance the budget.

Finally, a new downtown parking garage has been promised as part of the lease negotiations to lure Transamerica to the Town Pavilion. Again, this new commercial development contemplates city funding for the vast majority of the project.

Regarding planned office and retail CBD buildings, which could spill over into the subject area, as summarized in the central business district general data presented previously, a continual decline in retail employment is projected as retail spending patterns continue to move to the suburbs, with only limited retail support of noontime office traffic required.

Considering office supply and demand, the reader's attention is redirected to the office development chart included previously. Over 4.0 million square feet of Class "A" office space was constructed in the central business district or in the nearby competing Crown Center area from 1985 through 1991. The rate of construction was over five times that of the previous 18 years. Fortunately for most of these developers the rate of absorption of Class "A" office space has been adequate, reflecting not only continual growth by companies occupying this space, but also pent-up demand partially due to a desire to relocate to modern office space. Unfortunately, the highly competitive new market has resulted in effective rental rates, or base rent less concessions, which are generally less than adequate to justify speculative construction. A second major consideration following the development of the wealth of Class "A" central business district office space is the fact that net new office building occupancy is very limited compared to the quantity of new space constructed. In other words, the new buildings have become occupied at the expense of older central business district buildings.

From a general central business district market perspective, the supply and demand imbalance in the central business district, results in the conclusion that, except for the possibility of a build-to-suit or owner-occupied structure, there is very little possibility of new office construction in the central business district for at least the next two years. Not only is it marginally economically feasible, at best, with the benefit of tax abatement pursuant to Chapter 353 of the Revised Statutes of Missouri or TIF, limited available conventional financing further inhibits the possibility of new construction.

On a more positive note, Town Pavilion office space has been subleased to TransAmerica, Gateway 2000 and Twentieth Century Investors. Gateway will move to the west bottoms area when its new building is completed, however. Barkley & Evergreen advertising moved its 120 employees to the Fashionbilt Building at Eighth and Washington (423 West 8th) in December 1995. DST continues to grow and is renovating several buildings in the Eighth and Bank Street area where Barkley and Evergreen is moving. Finally, Hugh Zimmer is renovating the old New York Life Building at Ninth and Baltimore to be converted to the headquarters of Utilicorp United. Thus, there are several pending positive factors downtown.

Hotel occupancy is on the rise as Bartle Hall's expansion has placed upward demand on room nights, while deteriorating or closed hotels and inadequate ADRs reduce supply and eliminate new construction. Unlike office buildings, however, the city is determined to add to the existing supply, if at all possible, in order to justify the cost of Bartle Hall. Thus, the strengthening market may be temporary. However, as evidenced by the publicized loss of the multimillion dollar AAFP convention in 1997 due to inadequate rooms, additional supply is required to attain large conventions.

In summation, the central business district of Kansas City, Missouri, experienced one of the major periods of new Class "A" office construction during the 1980's, followed by a period of retrenchment. Vacancies in the Class "B" sector remain high, while the Class "A" sector has enjoyed good absorption, although office space is available on a sublease basis, reflecting the consolidation and downsizing of national corporate tenants, stockbrokers, insurance companies and legal firms. Future expectation for the neighborhood remains optimistic due to the presence of many of the metropolitan area's major commercial office buildings. Many of the older, vacated hotels will form the assembled sites for the next wave of office construction, which is not anticipated in the immediate future. Thus, market conditions are relatively static.

## DESCRIPTION OF THE LAND

### 1. Physical Features:

- a. Size/Dimensions - The subject site contains 1.303 acres, more or less, or 56,758 square feet with an estimated 227 lineal feet of frontage along Washington Street and 211 feet along Pennsylvania Avenue. The frontage along 13th Street is 256 feet and 14th Street frontage is approximately 255 feet.
- b. Configuration - Nearly rectangular.
- c. Topography/Drainage - The subject land is at street grade and gently sloping from northwest to southeast.

- d. Flood Plain - The subject property is identified as being in Flood Zone C, according to Flood Insurance Community Panel No. 290173 0090 B, dated August 5, 1986. Flood Zone C is defined as an area lying outside any established 100-year flood plain. Flood insurance is not typically required within this zone.
- e. Access - Access to the subject property is via the 14th Street and 12th Street exits from the downtown business loop. The subject also has excellent access to southbound Interstate 35 from 13th Street. Although the subject property has access to Interstate 35, it has limited accessibility to normal collector streets. The subject is approximately five blocks west and three blocks south of the "core" financial district of downtown. The subject is only one and one-half blocks west of the Bartle Hall Convention Center and two and one-half blocks west of Municipal Auditorium.
- f. Physical Condition - The site is gently rolling, with the high point along Pennsylvania Avenue, near the center of the site. From the east it slopes up to approximately the midpoint, then slopes down slightly to 14th Street extension. The surface parking lot improvements are in disrepair, with holes in the asphalt paving along the northern 30 feet of the site and the southern 50 feet. In between, the property has only a gravel surface.
- g. Ground Stability - The appraisers were not furnished a soil analysis, therefore, no conclusion can be ascertained with regard to the stability of the site; however, based upon visual inspection, no problems were identified.

2. Legal:

- a. Zoning Analysis - The subject site carries a zoning designation of C-3a1, Intermediate Business (Low Buildings). In general, this zoning allows for most types of intensive commercial activities not including industrial uses. Height restrictions are three-stories, not to exceed 45 feet and parking restrictions vary, dependent upon the ultimate use of the property. In general, there are setback limitations, except when adjoining a residential development.
- b. Conformance - The subject property, as improved, appears to, in all respects, comply with the legal zoning requirements.
- c. Easements/Encumbrances/Moratoriums - The subject property features standard easements associated with utility use.

- d. Encroachments - The appraisers were not provided an ALTA survey. However, the appraisers noted no apparent encroachment to the property.

3. Utilities:

- a. Water/Sewer - Water/sewer services are provided by the City of Kansas City, Missouri.
- b. Electric - Electricity is provided by Kansas City Power and Light Company, adequate capacity to serve the needs of the site.
- c. Gas - The KPL Gas Service Company provides natural gas.
- d. Other - Telephone service is provided by the Southwestern Bell Telephone Company.

4. Environmental - As referenced in the Assumptions and Limiting Conditions to this report, the appraisers are not considered experts nor competent to assess all potential environmental issues. Upon physical inspection of the subject property, no indication "to the untrained eye" of environmental hazard could be found.

5. Taxes - For the current year the entire property is identified with Parcel Identification Number 422-2167-012-01 for City of Kansas City assessment purposes. Jackson County recently changed its property identification number. The property is now identified as 29-340-08-01, while it formerly consisted of three individual parcel numbers, 29-340-08-01, -02 and -03. The property does not include special assessments. As of 1994, the appraised value of the property for tax purposes was \$789,000, a value the property continues to carry for tax purposes. In 1995, county taxes totaled \$19,592.44, while city taxes totaled \$5,376.10.

6. Improvements - The property includes the following improvements which are not considered to have contributory value: a surface parking lot with approximately 218 striped or marked parking stalls in poor condition. The lot is divided with three single strand steel cable chain fences. The north and south portions have some asphalt paving, in poor condition. The center portions are gravel. A billboard facing south is located in the southern portion of the site. As noted in the History of the Property, annual rental from the sign is 30% of gross revenue, but not less than \$8,280. Nevertheless, it is interim use and income derived from the signage is far from adequate to support the value estimated for the property.

## **BLIGHT FACTORS**

Several blight factors are apparent with regard to the Unitog National Headquarters site. The reader's attention is directed to the statutory definition of blighted area, which was reproduced on page four of this report. Each of the delineated blight factors will be specifically reviewed.

### **Defective or Inadequate Street Layout:**

The property consists of a city block surrounded by four one-way streets, which substantially inhibit convenient ingress and egress, absent a coordinated design for development of the entire property. For example, an onsite visitor, tenant or user located near the north boundary of the property might desire to travel eastbound to the Central Business District. To achieve this simple goal, the driver would travel onto 13th Street, then turn west to Pennsylvania, turning south on Pennsylvania, then turning east on 14th Street. In addition, it should be noted that Pennsylvania Avenue ends at the southern boundary of the property, while 13th Street becomes an on ramp to southbound I-35 at the west end of the property. Furthermore, Washington essentially serves only as a northbound I-35 egress ramp south of the subject. Also, 14th Street provides access only to a secluded undeveloped area across the interstate as one travels westbound. This area known as Mulkey Square is also land locked, thus limiting ultimate development.

To summarize, while the property, if improved, will enjoy some visibility from the nearby interstate highway system, its location substantially inhibits accessibility from normal collector streets.

### **Insanitary/Unsafe Conditions:**

The analysts noted no unusual insanitary conditions for a parking lot, other than typical oil and other petroleum residue on site. However, the obvious deteriorating condition of the limited asphalt paving and concrete improvements constitute an unsafe condition for those using the lot. Furthermore, the cracks in the asphalt on the south end of the property have been unattended for so long that weeds and grass were growing through the asphalt. This constitutes both an insanitary and unattractive condition. Finally, the gravel-covered unfinished areas in the center of the lot essentially mark the location of the former Century Inn motel. Since the time the motel was razed nearly 10 years ago, the dust from the gravel has constituted a dirty, insanitary condition. The parking lot is not lighted resulting in an unsafe environment in the evening and early morning hours.

In addition, the analyst noted that unsafe conditions are by no means confined to the boundaries of the specific property in question. Crime statistics indicate Part I felonies are of concern throughout the central business district. Kansas City, Missouri Police Department statistics indicate an annual average of approximately 17 Part I felonies per city block in the central business district each year, or more than one felony for every

person living in the central business district area. However, the CBD employs over 50,000 during the daytime, meaning auto thefts, larceny, burglary, etc. may be spread over a larger group. On the other hand, a significant daytime felony problem would undoubtedly result in greater numbers of employers vacating the area. To summarize central business district statistics, KCPD Central Patrol Division Reporting Area 112, which extends to the subject property on Broadway, contains an estimated 72 city blocks and 1,125 residents. In 1995 there were a total of 1,238 Part 1 felonies and 187 violent offenses. These statistics are significantly less than in 1994, but are similar to 1190 to 1993. Regardless, of the decline from the 1994 peak, crime is a major concern. Given these statistics, a relatively large parking lot without a parking lot attendant in a sparsely populated area, with significant crime, results in unsafe conditions during night time hours. Furthermore, the use as a parking lot results in typical insanitary conditions, although there was no evidence of substantial environmental concerns or debris.

#### **Deterioration of Site Improvements:**

For the past nine years the subject property has had very limited site improvements, consisting of surface parking, along with billboard signage. Even these improvements are in deteriorating condition, however. The north facing portion of the signboard near the south boundary of the parking lot does not have a paying user and does not even feature a blank board over the structural steel signage frame. The parking surface had notable areas of cracked, broken and deteriorating asphalt, some relatively large dips, and as noted previously, the majority of the site has unkept, gravel covered surface parking available. The parking is unattractive and inconvenient to most users, even convention users who must travel around the Grace and Holy Trinity Cathedral in order to access Bartle Hall, as well as hazardous to prospective users.

#### **Improper/Obsolete Platting:**

The plat map excerpt identified as a boundary map of the redevelopment area was provided by representatives of the proposed redeveloper. As shown, the north 150 feet of the site was once platted as Lots 1 through 5, Block 2, Balis Place Subdivision. At that time, an alley existed which separated Lots 1 and 2 from Lots 3, 4 and 5. This alley was subsequently vacated. In addition, two more alleys existed on the portion of the property located south of Block 2, Balis Place. According to the plat map, the east-west alley has been vacated, although there is no evidence that the north-south alley which bisects the southern portion of the site has been vacated. However, a visual inspection did not note the existence of a city maintained alleyway. Finally, it should be noted the portion of the property legally described as Tract C in the Title Report in Addendum B does not appear to have been platted. The tract extends approximately 256 feet east-west between Pennsylvania and Washington Streets and has dimensions on its west boundary of 60.91 feet and on its east boundary of 80.39 feet. Thus, the northerly portion of the property is improperly platted for development



purposes while the southerly portion of the property is unplatted. In addition, it appears an unused alley must be vacated in order to fully develop the site.

#### Combination of Factors Constituting an Economic or Social Liability:

The conditions noted above have combined to provide a history of little or no activity on the subject site, despite its Central Business District location. Furthermore, it should be noted the primary source of revenue for the property over the past nine years has been signage revenue, reflecting the fact that the property is readily visible from nearby Interstate Highway 35. However, despite a high visibility, corner location, the site has remained nearly unimproved for over nine years. Prior to that time, the property was improved with an aging motel which also contributed little in the way of net operating income. Consequently, the property makes little contribution in the way of employment, tax revenues, housing accommodations or in any other way providing an economic or social asset to the community. Furthermore, the reader should note the Kansas City Land Clearance Redevelopment Authority designated the central business district as a statutory blighted area a number of years ago and there had been no changes in the use of the property subsequent to that time. Over the past fifteen years, virtually every major new construction project in the neighborhood has been first declared a legally blighted area to enable the project to use TIF or receive tax abatement.

To summarize, it is the opinion of the analysts the redevelopment area suffers from unsafe and insanitary conditions, inadequate street layout, obsolete platting, deterioration of the site improvements and conditions which endanger life or property by fire or other causes, which, combined, creates an extraneous economic liability for the development of the site. The Missouri Supreme Court has determined that "the concept of urban redevelopment has gone far beyond 'slum clearance' and the concept of economic underutilization is a valid one" in State ex. rel. Atkinson v. Planned Industrial Expansion Authority, 517 S.W. 2nd 47. In addition, the Missouri Supreme Court has also clearly held that vacant land can be considered blighted because it no longer meets the economic and social needs of modern city life and progress. In Tierney v. Planned Industrial Expansion Authority of Kansas City, 742 S.W. 2nd 146 (Mo. en banc 1987), the court found that redevelopment "could provide a higher level of economic activity, increased development and greater services to the public." The Unitog proposal appears to be a similar situation.

Furthermore, an analysis of the Unitog headquarters proposal and a comparison with the possibility of a similar headquarters located in suburban Johnson County, Kansas indicates the nature of the economic liability. The density of urban use requires expensive structured parking facilities in conjunction with any redevelopment, but rental rates and economics do not support construction of the project. Furthermore, economic incentives provided by cities and the State of Kansas result in much more favorable economic development conditions in the suburbs. The reader's attention is directed to Addendum D, in which the analyst has reproduced an analysis of development

costs and available economic incentives, as prepared by Glaze Commercial Real Estate Advisors. A summary of the Kansas-KCMO cost comparison is shown on the facing page. It should be noted this analysis was prepared for a nearby tract and the actual cost of the land for the subject will exceed the \$1,250,000 shown. However, this only exacerbates the financial differences. Again, the conclusion to be reached is that the various factors noted previously in combination constitute an economic liability and, concurrently, constitute a social liability due to their inability to raise tax revenues to support schools and other potential beneficiaries of enhanced economic activity.

#### **Summary of Conclusions:**

It is the analyst's opinion the property and area studied constitute a blighted area within the definition of the Real Property Tax Increment Allocation Redevelopment Act, Chapter 99 of the Revised Statutes of Missouri. The project suffers from inadequate street layout, insanitary or unsafe conditions, deterioration of site improvements, obsolete platting and existence of conditions which could endanger life or property by fire and other causes, as delineated in the statutes and as described in detail previously. If development of the site is not economically feasible, the property will continue to be underdeveloped and will not meet the economic and social needs for the progress of the city. The property is located within one block of Bartle Hall, one of the primary attractions for tourists and guests from outside the area, and any multi story improvements to the site would be readily visible from Interstate Highway 35. Interstate 35 is a primary point of access to the Central Business District, Crown Center and the River Market area. Redevelopment in the proposed manner would appear to serve the city's needs by enhancing the appearance of the Central Business District and securing jobs for the neighborhood.



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 Thomas H. Slack, MAI  
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 Douglas A. Heinrich, MAI

## QUALIFICATIONS OF APPRAISER KEVIN K. NUNNINK

**NUNNINK**  
 ASSOCIATES, INC.

Kansas Certified General Real Property Appraiser (G-73)  
 Missouri Certified General Real Estate Appraiser (RA 001895)

Arizona Certified General Real Estate Appraiser (30551)  
 Arkansas State Certified General Appraiser (CG0628N)  
 California General Certified Appraiser (AGO12249)  
 Colorado Certified General Appraiser (CG01317074)  
 Connecticut Certified Appraiser (0000460)  
 Delaware Certified General Real Estate Appraiser (X1-0000112)  
 District of Columbia Certified General Real  
 Property Appraiser (GA00010159)  
 Georgia Certified Real Estate Appraiser (GC002831)  
 Illinois State Certified Real Estate Appraiser (153-000388)  
 Indiana Certified General Appraiser (CG69201278)  
 Iowa Certified General Real Property Appraiser (514547245)  
 Kentucky General Real Property Appraiser (000311)  
 Maryland Certified General Real Estate Appraiser (10126)  
 Massachusetts Certified General Real Estate Appraiser (368)  
 Michigan State Certified Real Estate Appraiser (1201002482)  
 Minnesota Certified Federal General Appraiser (4003042)  
 Mississippi Licensed Certified General Real  
 Estate Appraiser (GA-279)

Montana General Certified Appraiser (172)  
 Nebraska Certified General Appraiser (CG950141)  
 Nevada Certified General Appraiser (00638)  
 New Mexico Real Estate Appraiser (000732-G)  
 New York Certified General Real  
 Estate Appraiser (46000010140)  
 Ohio Certified General Real Estate Appraiser (415404)  
 Oklahoma Certified Appraiser (10513)  
 Oregon State Certified Appraiser (CO00413)  
 Tennessee State Certified General Real  
 Estate Appraiser (CG-1090)  
 Texas Certified General Real Estate Appraiser (TX-1326816-G)  
 Utah Certified General Appraiser (CG00042206)  
 Vermont Certified General Real Estate Appraiser (80-0000100)  
 Virginia Real Estate Appraiser Board Business  
 Registration (4008 000803)  
 Washington Certified Real Estate Appraiser  
 - General (270-11 NU-NN-1K-K485DN)

### 1. EDUCATION

Bachelor of Science in Geography, University of Kansas (1970-74)  
 Bachelor of Science in Political Science, University of Kansas (1970-74), cum laude  
 Institute for Mediterranean Studies, Rome, Italy, (International Economics and Political Science -1972), University of Kansas' only  
 representative

Master of Public Administration, University of Kansas (1974-75)

American Institute of Real Estate Appraisers (AIREA):

- Course Ib - Income Properties, Rockhurst College
- Course VIII - Single Family Residential, University of Colorado
- Course II - Advanced Income Properties, University of Colorado
- Course IV - Litigation Valuation, University of Indiana

Society of Real Estate Appraisers:

- Course 101 - Introduction to Appraising, Rockhurst College
- Report Writing Seminar on Single Family Residences

Passed Single Family Residential Demonstration Report (1979)

Comprehensive Examination (AIREA) - 1981

FHLBB R 41b Seminar (November, 1985)

Federal Income Tax and Real Estate Seminar (1986)

Ethics Seminar, "Standards of Professional Practice"

Contemporary Real Estate Seminar, 1984/1985

"Tax Reform Preview for Real Estate and Federal Home Loan Bank R-41c" (11/86)

Using Electronic Spreadsheet Seminar (10/87)

Urban Honolulu Real Estate and Valuation Considerations; Resort Hotel Development and Valuation Under FHLBB Regulations; An  
 Update (11/87)

Standards of Professional Practice Update (11/88; 04/91; 04/93)

Professional Standards Seminar (04/89)

Broker Pre-License (02/90)

Valuation/Evaluation of Congregate Care Facility for the Elderly (04/90)

Pro-Ject Training Seminar (06/90)

Advanced Applications on Pro-Ject (11/90)

Semi-Annual Convention Education Session (02/91)

Condemnation Process and Appraising and Mock Trial (05/92)

Real Estate Valuation Issues (02/93)

Evaluation Guidelines Workshop (07/93)

Current Standards of Professional Practice Issues (07/93)

Meyer, Hoffman, McCann's 8th Annual Real Estate Seminar (11/93)

Appraisal Office of the Future (02/94)

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## **2. PUBLICATIONS**

"Revitalizing Regional Malls", *Real Estate Review*, Vol. 23, No. 2/Summer 1993 (Page 25)  
"Appraising Golf Courses for Ad Valorem Purposes", *The Appraisal Journal*, October 1993 (Page 611)  
"Small Business Appraisal Requirements in the 1990s", *The Small Business Monthly*, Vol. 2, Issue 6/June 1993  
Author and Editor, *Kansas City Real Estate Market*, "A Decade in Review and Forecast 1994", Vol. 1, No. 1, Fall, 1993  
Author and Editor, *Kansas City Highlights*, "Annual Review & Forecast 1995", Winter 1994  
Author and Editor, *Viewpoint 1994*, February, 1994  
Author and Editor, *Viewpoint 1995*, February, 1995

## **3. EXPERIENCE**

Established Nunnink & Associates, Inc., December, 1978 (currently 40-45 full-time employees)  
Appraised over 12,000 single family residences in the metropolitan Kansas City area on various formats, including the old and revised FHLMC and FNMA forms and ERC forms  
Associate Appraiser with Jack Forbes (MAI) Appraisals, Inc. 3/76 to 12/78  
Director of Community Development, City of Olathe, Kansas 12/75 to 3/76

## **4. DESIGNATIONS**

Member of the Appraisal Institute, MAI (as confirmed by the American Institute of Real Estate Appraisers), SRPA and SRA (as confirmed by the Society of Real Estate Appraisers)

## **5. ASSOCIATE MEMBERSHIPS - PROFESSIONAL**

Member, Metropolitan Kansas City Board of Realtors  
Member, International Right of Way Association  
Member, Valuation Network, Inc.  
Member, Home Builders Association  
Member, Mortgage Bankers Association  
Affiliate Member, National Council of Real Estate Investment Fiduciaries (NCREIF)  
Real Estate Broker - State of Kansas (License No. EB00039338)  
Registered Environmental Assessor (REA), State of California

## **6. ASSOCIATION MEMBERSHIPS - SOCIAL**

Member, Kansas University Alumni organization, Kansas University KUCIMAT and Kansas University Williams Fund  
Past President, Kansas City Sigma Chi Alumni Chapter

## **7. SPECIAL APPRAISAL ASSIGNMENTS**

Proposed Medical Office Building, Olathe, Kansas  
Presidential Tower, Chicago, Illinois  
Hallbrook Farms  
One Kansas City Place  
Congregate care, nursing home facilities throughout continental United States  
Kansas City Country Club, Mission Hills, Indian Hills, Shadow Glen, Hallbrook, Milburn, Brookridge, Meadowbrook Golf Courses  
Lighton Tower, Overland Park, Kansas  
Country Club Plaza Financial Projections and Absorption Study  
Net Lease of 238 Circle K Stores throughout the southeast and 250 Circle K Stores throughout the continental United States  
McClurg Apartment Building, Chicago  
Regional Malls in Arkansas, Florida, Indiana, Kansas, Kentucky, Missouri, Nevada, Ohio, South Carolina, Tennessee, and Texas

## **8. REAL ESTATE APPRAISING RELATED EXPERIENCE**

Expert Witness, Johnson County District Court, Wyandotte & Leavenworth Counties  
District Court, Kansas; Federal Bankruptcy Court, Jackson County, Missouri; and Arapahoe County Court, Denver, Colorado metropolitan area  
Residential house builder  
Developer, single family residential subdivisions  
Member of the Board of Directors, First National Bank, Olathe, Kansas  
Principal, CMN Capital Corporation, a real estate syndication corporation  
Former Chairman of the Board, Meyerdirk Title Company, exclusive agent for Stewart Title Insurance Agency in the Kansas City area  
Former Chairman of the Board, Professional Escrow Corporation  
NASD Series 22 Examination - Agent to sell real estate, oil and gas, etc. syndications

## **9. AREAS SERVED**

The firm has provided appraisal and/or counseling in 43 of 50 states.

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 Liberty National Bank  
 Liberty Savings Association  
 MET First Financial  
 Mark Twain Bank  
 Mark Twain Bank of Kansas City  
 Mercantile Bank  
 The Merchants Bank  
 Metcalf State Bank  
 Metro North State Bank  
 Metropolitan Savings Assn.  
 Miami County National Bank  
 Mid-American Bank & Trust  
 Midland Bank  
 Mission Bank  
 Mission Hills Bank  
 Missouri Bank & Trust  
 Midland Bank  
 Mission Bank  
 Mission Hills Bank  
 Missouri Bank & Trust  
 North American Savings  
 Norwest Mortgage  
 Oak Park National Bank  
 Overland Park Savings & Loan  
 Overland Park State Bank  
 Park National Bank  
 Peoples Heritage  
 Pioneer Savings  
 Regional Investment Company  
 Rothschild Financial Corp.  
 Safety Federal Savings  
 Savings of America  
 Security Bank of Kansas City  
 Security Financial  
 Sentinel Federal Savings  
 Shawnee State Bank  
 Southwest Mortgage Company  
 Standard State Bank  
 State Bank of Stanley  
 Suburban Financial  
 Sun Mortgage Corporation  
 Sun Savings Association  
 Superior National Bank  
 Tower State Bank  
 Transamerica Financial  
 Twin City State Bank  
 United Kansas Bank  
 United Missouri Bancshares  
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 Summerson-Burrows, Inc.  
 B.A. Karbank & Company  
 Block & Company  
 Bowen Construction Co.  
 Boylan & Company  
 The Chasewood Company  
 Cohen-Isrey Real Estate  
 Coldwell Banker Real Estate  
 Edward B. Thomson Enterprises  
 Fishman & Company  
 Fogelman Properties  
 Frank Morgan  
 Institutional Assets, Inc.  
 JMB  
 J.C. Nichols Company  
 Leo Eisenberg Company  
 M.D. Management  
 Management Associates  
 Maxicare  
 Mel Simon & Co.  
 Nelson-Hayes Financial  
 North Star Development  
 Property Company of America  
 R.H. Sailors & Co.  
 Realvest, Inc.  
 Retirement Management Co.  
 Stephens & Company  
 Summit  
 Trammell Crow  
 Trizec Development  
 Tutera Group  
 Varnum/Armstrong/Deeter  
 Zimmer-Steinbach Brokerage

#### **CORPORATIONS**

Arthur Andersen & Company  
 Ashgrove Cement  
 B.C. Christopher Securities  
 Baird, Kuntz & Dobson  
 Black & Veatch  
 Burns & McDonnell  
 Butler Manufacturing Co.  
 DST Systems, Inc.  
 Employee Relocation Council  
 Farmland Industries, Inc.  
 Ford Motor Company  
 General Motors Corporation  
 George K. Baum & Company  
 Hall Foundation  
 Hallmark Cards, Inc.  
 Homeequity  
 J.C. Penney Company  
 J.E. Dunn Construction Co.  
 John Deere & Company  
 John W. Meera & Company  
 Kansas City Power & Light  
 Kansas City Southern Industries  
 Laidlaw Waste Systems  
 The Marley Company  
 Menorah Medical Center  
 Merrill, Lynch, Pierce,  
 Fennner & Smith, Inc.  
 Merrill Lynch Relocation  
 North KC Memorial Hospital  
 Olathe Medical Center  
 Olathe School District  
 Peat, Marwick, Main & Co.  
 Property Tax Representatives  
 Puritan Bennett Corporation  
 Research Medical Center  
 Saint Joseph Health Center  
 St. Luke's Hospital of KC  
 Shawnee Mission USD 512  
 Shearson, Lehman Brothers/  
 F.F. Hutton  
 Southwestern Bell Telephone  
 Standard Havens, Inc.  
 Stern Brothers & Company  
 Touche Ross  
 Trans World Airlines  
 Trinity Lutheran Hospital  
 United Telecommunications, Inc.  
 KU Medical Center  
 Yellow Freight Systems, Inc.

**INSURANCE COMPANIES**  
 Aetna Insurance  
 American Family Insurance  
 American Fidelity Assurance  
 Bankers Life Insurance  
 Central Life Insurance  
 Commercial Union Insurance Co.  
 KC Life Insurance Company  
 Mutual of New York  
 New York Life  
 Northwestern Mutual Life  
 Teachers Annuity & Assurance  
 Transamerica Life Insurance  
 Annuity Company  
 Travelers Insurance  
 Travelers Pension Fund  
 USF&G  
 Zurich of America Insurance Co.

#### **STATE & FEDERAL GOVERNMENT**

City of DeSoto, Kansas  
 City of Gardner, Kansas  
 City of Independence, Missouri  
 City of Kansas City, Kansas  
 City of Kansas City, Missouri  
 City of Leawood, Kansas  
 City of Lenexa, Kansas  
 City of Liberty, Missouri  
 City of Manhattan, Kansas  
 City of Merriam, Kansas  
 City of Olathe, Kansas  
 City of Overland Park, Kansas  
 City of Prairie Village, Kansas  
 City of Shawnee, Kansas  
 City of Topeka, Kansas  
 City of Westwood, Kansas  
 County Commissioners -  
 Johnson County, Kansas  
 Department of HUD  
 Department of the Navy  
 FADA  
 FDIC  
 FHMA  
 FNMA  
 GSA  
 Internal Revenue Service  
 Johnson County, Kansas  
 Johnson County Parks &  
 Recreation  
 Johnson County Substance  
 Abuse Services  
 KCCID  
 K.C. Redevelopment Authority  
 KCMO School District  
 Kansas Dept. of Transportation  
 Kansas Public Employees  
 MHDC/State of Missouri  
 RTC  
 University of Missouri  
 United States Postal Service

#### **LAW FIRMS**

Bennett, Lytle, Wetzler, et al.  
 Blackwell Sanders, et al.  
 Discus and Davis  
 Gage & Tucker  
 Hillis, Brewer, Hoffhaus, et al.  
 Hirsch, Eppenberger, et al.  
 Lathrop & Norquist  
 Lewis, Rice & Fingersh  
 Lowe, Farmer, Bacon & Roe  
 McAnany, Van Cleave & Phillips  
 McDowell, Rice & Smith  
 Morrison & Hecker  
 Niewald, Waldeck & Brown  
 Polinelli, White, et al.  
 Perry & Hamill  
 Shook, Hardy & Bacon  
 Shughart, Thomson & Kilroy  
 Smith, Gill, Fisher & Butts  
 Spencer Fane, Britt & Browne  
 Stinson, Mag & Fizzell  
 Wallace, Saunders, et al.  
 Watson, Iles, Marshall & Enggas

## **NUNNINK & ASSOCIATES, INC.**

**REAL ESTATE APPRAISERS, CONSULTANTS & ASSET MANAGERS**

#### **CHICAGO OFFICE**

300 S. Wacker Drive, Suite 3525 • Chicago, Illinois 60606-6610  
 312/922-8500 • FAX 312/922-8501  
 Internet E-Mail: nunnink@realworks.com

#### **GREATER KANSAS CITY OFFICE**

1901 W. 47th Place, Suite 300 • Westwood, Kansas 66205-1834  
 913/236-4700 • FAX 913/236-4307 • Res. Dept. FAX 913/236-7644  
 Internet E-Mail: nunnink@realworks.com



Kevin K. Nunnink, MAI  
Thomas H. Slack, MAI  
Timothy J. Keller, MAI  
J. Scott Patrick, MAI  
Douglas A. Heinrich, MAI

**THOMAS H. SLACK, MAI**

**NUNNINK**  
ASSOCIATES, INC.

**QUALIFICATIONS OF APPRAISER**

State of Kansas Certified General Real Property Appraiser (G-250)  
State of Missouri Certified General Real Estate Appraiser (RA 001977)  
State of Nebraska General Certified Real Estate Appraiser (CG 920660)  
State of Iowa General Real Property Appraiser (513603742)

**1. PROFESSIONAL DESIGNATIONS**

Member of the Appraisal Institute (MAI) No. 7785  
Admitted to Kansas Bar, 1979  
Admitted to Missouri Bar, 1980  
Awarded Missouri CPA certificate, 1984

**2. EXPERIENCE**

02/88 to Present: Senior Appraiser, Nunnink & Associates, Inc.  
08/83 to 01/88: Associate Appraiser, Nunnink & Associates, Inc.  
10/81 to 07/83: Established and served as Vice President of Mid-America Mortgage Consultants, Ltd., a real estate loan consulting company  
06/79 to 10/81: Tax Accountant with Arthur Young & Company, Kansas City

**3. REAL ESTATE APPRAISAL RELATED EXPERIENCE**

Expert Witness:

District Court: Jackson County, Missouri, Johnson County, Kansas  
Greene County, Missouri, Clay County, Missouri,  
Delaware County, Iowa

Federal Bankruptcy Court: Kansas City, Missouri, Kansas City, Kansas,  
Topeka, Kansas

Kansas and Missouri State Tax Commissions

Director, Midwest Bancorporation, Inc., Hays, Kansas, 1988-1994

Director of Kansas City Chapter, American Institute of Real Estate Appraisers,  
1990 to 1991

Director of Kansas City Chapter, Appraisal Institute, 1992 to 1993

**4. EDUCATION:**

Bachelor of Science in Business Administration, University of Kansas, (1972-1976)

Juris Doctorate, University of Kansas. (1976-1979)

Educational requirements required for membership in the American Institute of Real Estate Appraisers:

Course 1A-1: Real Estate Appraisal Principles

Course 1A-2: Basic Valuation Procedures

Course 1B-A: Capitalization Theory and Techniques, Part A

Course 1B-B: Capitalization Theory and Techniques, Part B, University of Colorado at Boulder

Course 2-1: Case Studies in Real Estate Valuation

Course 2-2: Valuation Analysis and Report Writing, Kansas City, Missouri

Course 2-3: Standards of Professional Practice

Course 7: Industrial Valuation

Comprehensive Examination - Houston, Texas, 1988

**REAL ESTATE APPRAISERS, CONSULTANTS & ASSET MANAGERS**

*Individual Membership Valuation Network Inc.*

*Respond To Office Indicated:*

☐ CHICAGO OFFICE

300 S. Wacker Drive, Suite 3525 • Chicago, Illinois 60606-6610  
312/922-8500 • FAX 312/922-8501  
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Internet E-Mail: nunnink@realworks.com

## **5. SPECIAL APPRAISAL ASSIGNMENTS**

One Kansas City Place, Missouri's tallest office building  
Proposed Walnut Office Tower, Kansas City, Missouri  
Lighton Plaza Office Complex, Overland Park, Kansas  
Congregate care and nursing facilities throughout continental United States  
Net leases of 238 Circle K convenience stores in southeast and 250 Circle K stores throughout continental U. S.  
Turfland Mall, Lexington, Kentucky (analysis of repositioning of mall)  
Pismo Beach Outlet Center, Pismo Beach, California  
Alameda Towers luxury condominiums, Kansas City, Missouri  
Crown Center mixed use complex (office and hotels)  
Land Use and Valuation Study for Johnson County, Kansas Assessor  
Impact Studies - Landfills, cellular transmission poles, etc.  
Business appraisals of professional corporations, manufacturing companies, service and retail businesses  
Condemnation litigation  
Analysis of impact of contamination - petroleum and trichloroethane

## **6. ASSOCIATION MEMBERSHIPS**

Chairman of the Board, Midwest Ear Institute, 1993-1995, Director 1993 - Present  
Director of United Cerebral Palsy Association of Kansas City, 1989-1994  
Kansas University Alumni Association and Williams Education Fund  
Regional Ethics Panel, Appraisal Institute

## **7. CONTINUING EDUCATION**

### **Appraisal Institute Seminars:**

Environmental Risk and the Real Estate Appraisal Process (August, 1994)  
Understanding Limited Appraisals (August, 1994)  
Standards of Professional Practice Update (November, 1988)  
Standards of Professional Practice, Part B (April, 1993)  
Standards of Professional Practice, Part A (USPAP) (April, 1996)  
Pro-Ject Plus Training Seminar (June, 1990)  
Easement Valuation (November, 1990)  
Federal Regulators Panel Discussion (November, 1990)  
General State Certification Review (November, 1990)  
The Technical Inspection of Real Estate (August, 1991)  
Landfills & Their Effect Upon Value (August, 1991)  
National Business Institute - Advanced Real Estate Law in Kansas (August, 1991)  
Mayer Hoffman CPA's, Strategies for Investing in Kansas City Real Estate (1990),  
6th Annual Real Estate Seminar (1991), 8th Annual Seminar (1993)  
Arthur Young & Company Seminars  
Taxation of Real Estate Transactions; Closely Held Business Valuation (1980)  
Kansas City Bar Association Seminars:  
Taxation of Real Estate (1983)  
Recent Developments in Real Estate Law (July, 1991)  
University of Missouri-Kansas City  
Condemnation Process and Appraising and Mock Trial (May, 1992)  
13th Annual Midwestern Bankruptcy Institute (October, 1993)  
Commercial Property Association of Kansas (CPAK)  
The Kansas Property Tax (#2) (December, 1994)  
American Society of Appraisers (ASA)  
USPAP Update (May, 1994)  
Business and Industry Institute Johnson County Community College  
Fundamentals of Business Valuation (1985)  
Heart of America Tax Institute (1978, 1979, 1980, 1981)

NUNNINK & ASSOCIATES, INC.

REAL ESTATE APPRAISERS, CONSULTANTS & ASSET MANAGERS

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**ADDENDUM A**  
**APPLICABLE STATUTES**



# CITIES, TOWNS AND VILLAGES

§ 99.700

owns, rents, or leases is in a blighted area as defined in section 99.320, and declared to be a blighted area as provided in section 99.430. Upon receiving plans, as they may hereby require, which show that the person applying is engaged in new construction or rehabilitation of the designated real property in accordance with an approved redevelopment or urban renewal plan, the authority shall issue a certificate of qualification for tax abatement to the applicant. (L. 1973 H.B. 63 § 1, A.L. 1979 H.B. 101, A.L. 1984 H.B. 1337)

99.705. Assessor to issue current assessed value statement, when (Kansas City, St. Louis city).—Within thirty days of receiving the certificate, the applicant shall notify the city or county assessor, as the case may be, who shall, as soon as possible, issue a statement as to the current assessed valuation of the then existing real property covered by the plans. The authority shall issue a copy of the plans to the assessor. (L. 1973 H.B. 63 § 2, A.L. 1979 H.B. 103)

99.710. Assessor's statement, area covered—on file for ten years (Kansas City, St. Louis city).—The city or county assessor's statement, as issued under section 99.705, shall be the maximum total assessed valuation of all real property included in the plans, a copy of which shall remain on file in his office, for each year for a period of ten years from the date on which the statement was issued. (L. 1973 H.B. 63 § 3, A.L. 1979 H.B. 103)

99.715. Assessor's statement to affect assessment of approved new construction or rehabilitation only (St. Louis city).—In no event shall section 99.710 prevent the assessor from increasing or decreasing the assessed valuation of the real property other than the new construction or rehabilitation approved in the certificate of qualification. (L. 1973 H.B. 63 § 4)

## REAL PROPERTY TAX INCREMENT ALLOCATION REDEVELOPMENT

99.800. Law, how cited.—Sections 99.800 to 99.865 shall be known and may be cited as the "Real Property Tax Increment Allocation Redevelopment Act". (L. 1982 H.B. 1411 & 1507 § 1)

99.805. Definitions.—As used in sections 99.800 to 99.865, unless the context clearly requires otherwise, the following terms shall mean:

(1) "Blighted area", an area which, by reason of the predominance of defective or inadequate

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

(2) "Conservation area", any improved area within the boundaries of a redevelopment project area located within the territorial limits of a municipality in which fifty percent or more of the structures in the area have an age of thirty-five years or more. Such an area is not yet a blighted area but is detrimental to the public health, safety, morals, or welfare and may become a blighted area because of any one or more of the following factors: Dilapidation; obsolescence; deterioration; illegal use of individual structures; presence of structures below minimum code standards; abandonment; excessive vacancies; overcrowding of structures and community facilities; lack of ventilation, light or sanitary facilities; inadequate utilities; excessive land coverage; deleterious land use or layout; depreciation of physical maintenance; and lack of community planning;

(3) "Economic development area", any area or portion of an area located within the territorial limits of a municipality, which does not meet the requirements of subdivisions (1) and (2) of this section, and in which the governing body of the municipality finds that redevelopment is in the public interest because it will:

(a) Discourage commerce, industry or manufacturing from moving their operations to another state; or

(b) Result in increased employment in the municipality; or

(c) Result in preservation or enhancement of the tax base of the municipality;

(4) "Municipality", a city, village, or incorporated town or any county of this state;

(5) "Obligations", bonds, loans, debentures, notes, special certificates, or other evidences of indebtedness issued by a municipality to carry out a redevelopment project or to refund outstanding obligations;

(6) "Ordinance", an ordinance enacted by the governing body of a city, town, or village or a county or an order of the governing body of a county whose governing body is not authorized to enact ordinances;

(7) "Payment in lieu of taxes", those estimated revenues from real property in a redevelopment project area acquired by a municipality.

99.231.—(Repeated L. 1948 H.B. 1105 § A)

### REAL PROPERTY TAX INCREMENT ALLOCATION REDEVELOPMENT

99.810. Redevelopment plan, contents—adoption of plan, required findings.—Each redevelopment plan shall set forth in writing the program to be undertaken to accomplish the objectives and shall include, but need not be limited to, estimated redevelopment project costs, the sources of funds to pay the costs, evidence of commitments to finance the project costs, the nature and term of the sources of funds to pay costs, the nature and term of the obligations to be issued, the most recent equalized assessed valuation of the project area, an estimate as to the equalized assessed valuation after redevelopment, and the general land uses to apply in the redevelopment project area. No redevelopment plan shall be adopted by a municipality without findings that:

(1) The redevelopment project area on the whole is a blighted area, a conservation area,

economic development area, and has not been subject to growth and development through investment by private enterprise and would not reasonably be anticipated to be developed without the adoption of the redevelopment plan;

(2) The redevelopment plan and project conform to the comprehensive plan for the development of the municipality as a whole;

(3) The estimated dates, which shall not be more than twenty-three years from the adoption of the ordinance approving the redevelopment project area, of completion of the redevelopment project and retirement of obligations incurred to finance redevelopment project costs have been stated; and

(4) A plan has been developed for relocation assistance for businesses and residences.

(L. 1982 H.B. 1411 & 1987 § 3 subsec. 1, A.L. 1986 S.B. 644 and H.B. 988 & 1390, A.L. 1987 S.B. 367 Revision)

## Chapter 100

### INDUSTRIAL DEVELOPMENT

#### ECONOMIC DEVELOPMENT EXPORT AND INFRASTRUCTURE FUNDING

Sec.

100.250. Title of act.

100.251. Definitions.

100.260. Funds established—administration, investment—no transfer to general revenues, when.

100.263. Infrastructure development fund, created, purpose—transfer into general revenues, prohibited.

100.265. Missouri economic development export and infrastructure board created—members, qualifications, appointment, terms—meetings—quorum—powers.

100.270. Board's powers and duties—rules, authority to promulgate.

100.281. Project plan, approval procedure—board to review and grant loan, when—copies of documents to be filed with department of economic development.

100.286. Loans covered by statute (bank)—conditions—information required—review and certification by participating lender—board approval—loan can credit.

the "Economic Development, Export and Infrastructure Funding Act".

(L. 1982 S.B. 681, A.L. 1983 H.B. 416, A.L. 1989 H.B. 378)

100.255. Definitions.—As used in sections 100.250 to 100.297, unless the context clearly requires otherwise, the following terms shall mean:

(1) "Board", the Missouri economic development, export and infrastructure board created by section 100.265;

(2) "Borrower", any person, partnership, public or private corporation, association, development agency or any other entity eligible for funding under sections 100.250 to 100.297;

(3) "Development agency", any of the following:

(a) A port authority established pursuant to chapter 68, RSMo;

(b) The bi-state development agencies established pursuant to sections 70.370 to

#### ECONOMIC DEVELOPMENT EXPORT AND INFRASTRUCTURE FUNDING

100.250. Title of act.—Sections 100.250 to 100.297 shall be known and may be cited as

Revised Statutes of Missouri 1988

## **ADDENDUM B**

## **TITLE REPORT**

6/26/96

OLD REPUBLIC TITLE COMPANY OF KANSAS CITY, INC.  
1300 Baltimore  
Kansas City, Missouri 64105  
(816) 471-1560

Lewis, Rich & Fingersh  
Attn: Charles Miller  
1010 Walnut, Suite 500  
Kansas City, MO 64106

RE: File No.: 96060701-1  
Address: 509 West 13th Street  
Owner: Quality Point Partners, L.P., a Kansas limited  
partnership  
Buyer: TO BE DETERMINED

Please find attached a copy of your title commitment(s). If  
any additional document(s) are enclosed, they are checked below:

\_\_\_ Invoice  
\_\_\_ Sellers Affidavit  
\_\_\_ Deed  
\_\_\_ Other

BF:smg/062696  
lcc Steve Pack  
lcc Lewis, Rice & Fingersh-Charles Miller

THANK YOU FOR PLACING YOUR TITLE ORDER WITH OLD REPUBLIC TITLE  
COMPANY OF KANSAS CITY, INC.

DIRECT ALL INQUIRIES TO:  
Customer Service Department  
1300 Baltimore, Kansas City, MO 64105  
{816-471-1560} {FAX 816-472-1426}



Old Republic National Title Insurance Company  
400 Second Avenue South  
Minneapolis, Minnesota 55401



## Commitment To Insure

*Issued through the Office of:*

OLD REPUBLIC TITLE COMPANY OF KANSAS CITY, IN  
1300 BALTIMORE AVENUE  
KANSAS CITY, MISSOURI 64105  
(816) 471-1560

DIRECT ALL INQUIRIES TO:  
Customer Service Department  
1300 Baltimore, Kansas City, MO 64105  
{816-471-1560} {FAX 816-472-1426}

SCHEDULE A

FILE NO. 96060701-1

1. EFFECTIVE DATE: May 7, 1996 AT 5:00 P.M.
2. POLICY TO BE ISSUED:  
"ALTA" OWNERS POLICY 10-17-92 \$-To Be Agreed Upon  
PREMIUM: \$-To Be Determined

PROPOSED INSURED:

TO BE DETERMINED

3. THE ESTATE OR INTEREST IN THE LAND DESCRIBED OR REFERRED TO IN THIS COMMITMENT AND COVERED HEREIN IS A FEE SIMPLE AND TITLE THERETO IS AT THE EFFECTIVE DATE HEREOF VESTED IN:

Quality Point Partners, L.P.,  
a Kansas limited partnership

4. THE LAND REFERRED TO IN THIS COMMITMENT IS DESCRIBED AS FOLLOWS:

TRACT A:

Part of the Northeast 1/4 of the Southeast 1/4 of Section 6, Township 49, Range 33, in Kansas City, Jackson County, Missouri, described as follows: Beginning at the point of intersection of the West line of Washington Street with the South line of the alley South of Balis Place, thence South along the West line of Washington Street 46 feet; thence West 123 feet; thence North 46 feet to the South line of said alley; thence East to the point of

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beginning.

Lot 3, and the East 1/2 of vacated alley West of and adjoining, Block 2, BALIS PLACE, a subdivision in Kansas City, Jackson County, Missouri.

TRACT B:

All that part of the Northeast 1/4 of the Southeast 1/4 of Section 6, Township 49, Range 33, in Kansas City, Jackson County, Missouri, together with Lots 1, 2, 4 and 5 (and vacated alleys adjoining) in Block 2, of BALIS PLACE, a subdivision of land in said city, county and state, as shown on the recorded plat thereof, all being described by courses and distances as follows: Beginning at the Northwest corner of said Lot 1, in Block 2; thence Southerly along the East line of Pennsylvania Avenue, 60 feet wide, as shown on said plat of Balis Place, a distance of 205-10/12 feet to a line parallel with and distant 45-10/12 feet Southerly of the South line of the 10 foot alley adjoining said Lots 1 and 2, in Block 2, on the South; thence Easterly along said parallel line a distance of 123 feet; thence Northerly parallel with said East line of Pennsylvania Avenue, to the South line of said 10 foot alley; thence Westerly along said South line a distance of 15 feet to the East line of the portion of said 10 foot alley vacated by Ordinance No. 26575; thence Northerly along said last mentioned East line 5 feet to the centerline of said 10 foot alley; thence Westerly along said centerline 0.50 feet to the Southerly prolongation of the East line of the West half of that alley vacated by Ordinance No. 25925, lying East of and adjacent to said Lot 2, in Block 2; thence Northerly along said last mentioned prolongation and said East line a distance of 55 feet to the Westerly prolongation of the South line of said Lot 4, in Block 2; thence Easterly along said prolongation and said South line a distance of 148.5 feet to the East line of said Lot 4; thence Northerly along said last mentioned East line a distance of 100 feet to the North line of said Lot 5; thence Westerly along said last mentioned North line and its Westerly prolongation and along the North line of said Lots 1 and 2, in Block 2, a distance of 256 feet to the point of beginning.

TRACT C:

The North-South alley next West of Washington Street from the South line of the East-West alley next South of 13th Street to a point 46.00 feet South; and the East-West alley next South of 13th Street from the West line of Washington Street to a point 108 feet

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East of the East line of Pennsylvania Avenue; and the excess land acquired for street Right-of-Way for 14th Street Extension lying between the East line of Pennsylvania Avenue and the West line of Washington Street and Northerly of the North line of 14th Street Extension as established and described in Ordinance No. 4110 passed January 20, 1936, said property lying in the Northeast Quarter of the Southeast Quarter of Section 6, Township 49, Range 33, in Kansas City, Jackson County, Missouri, and being more particularly described as follows: Beginning at point on the East line of Pennsylvania Avenue 60.91 feet South of the Southwest corner of Lot 1, Block 2, "Balis Place"; thence Southeasterly along the North line of 14th Street Extension to a point on the West line of Washington Street 80.39 feet South of the Southeast corner of Lot 3, Block 2, "Balis Place"; thence North along the West line of Washington Street 24.39 feet; thence Westerly parallel with South line of said Lot 3, 123 feet to a point on the East line of a 10 foot wide North-South alley 56 feet South of the South line of said Lot 3; thence Westerly across said alley to a point on the West line thereof, 55.83 feet South of the South line of said Lot 3; thence Westerly, parallel with the South lines of Lot 3, 2 and 1, said Block 2, 123 feet to a point on the East line of Pennsylvania Avenue 5.08 feet North of the point of beginning; thence South 5.08 feet to the point of beginning, all in Kansas City, Jackson County, Missouri.

FOR INFORMATION ONLY: The applicant advises the property address to be 509 West 13th Street.

#### SCHEDULE B

UPON PAYMENT OF THE FULL CONSIDERATION TO, OR FOR THE ACCOUNT OF, THE GRANTORS OR MORTGAGORS, AND RECORDING OF THE DEEDS AND/OR MORTGAGES, THE FORM AND EXECUTION OF WHICH IS SATISFACTORY TO THE COMPANY, THE POLICY OR POLICIES WILL BE ISSUED CONTAINING EXCEPTIONS IN SCHEDULE B THEREOF TO THE FOLLOWING MATTERS (UNLESS THE SAME ARE DISPOSED OF TO THE SATISFACTION OF THE COMPANY):

1. Defects, liens, encumbrances, adverse claims or other matters, if any created, first appearing in the public records or attaching subsequent to the effective date hereof but prior to the date the proposed Insured acquires for value of record the estate or

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interest or mortgage thereon covered by this commitment.

2. Rights or claims of parties in possession not shown by the public records.
3. Encroachments, overlaps, boundary line disputes, and any other matters which would be disclosed by an accurate survey and inspection of the premises.
4. Easements or claims of easements not shown by the public records.
5. Any lien, or right to a lien, for services, labor or material heretofore or hereafter furnished, imposed by law and not shown by the public records.
6. Taxes or special assessments which are not shown as existing liens by the public records.
7. General and special taxes and assessments as hereafter listed, if any (all amounts shown being exclusive of interest, penalties and costs).
  - a. The lien of State and County taxes for 1996 and City taxes for 1996, which are not now due and payable.

NOTE: IN THE EVENT THAT THERE ARE OUTSTANDING TAXES TO BE PAID THROUGH THIS OFFICE, WE SHOULD BE FURNISHED WITH THE ORIGINAL TAX BILL(S).

8. Ordinances, if any, which provide for special assessments for the repair or replacement of sidewalks, curbs, sewers, weed cutting, and gutters for which tax bills have not been issued at this time.
9. All rights acquired by any public or private utilities in the alley prior to the vacation thereof.
10. Deed of Trust, Assignment, Security Agreement and Financing Statement dated October 29, 1985, executed by Steve S. Pack and Louis D. Pack, as tenants in common, to Anthony C. Sommers, Trustee(s) for The Merchants Bank, filed for record November 7, 1985, under Document No. K-687957 in Book K-1479 at Page 1251, given to secure an indebtedness of \$1,175,000.00 and any other

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amounts payable under the terms thereof. (Affects Tracts A and B)

NOTE: See instrument for complete terms and conditions as well as possible rights and options of the beneficiary.

Extension Agreement dated December 1, 1988, filed December 28, 1988, under Document No. K-860757 in Book K-1876 at Page 434, extending the terms of the above indebtedness and/or the Deed of Trust as therein provided.

Modification Agreement dated October 12, 1995, filed October 27, 1995, under Document No. K-1217990 in Book K-2758 at Page 411, modifying the terms of the above indebtedness and/or the Deed of Trust as therein provided.

11. It is our understanding that Quality Point Partners, L.P. is a Kansas limited partnership. In this regard, we must be provided for our inspection, but not for recording, the following:

(a) An authentic copy of the limited partnership agreement, any amendments thereto, and any consents of partners required therein for the subject transaction; and,

(b) Evidence of good standing from the Kansas Secretary of State.

Upon receipt thereof, we reserve the right to make such further requirements as we deem necessary or advisable.

12. The application for title insurance does not indicate the name of the prospective buyer. When the exact name of the buyer is ascertained, the records must be searched for possible judgments, tax liens and pending judicial proceedings; if the buyer is a corporation or partnership, certain additional exceptions and/or requirements may be made as we deem necessary or advisable.

NOTE: FOR YOUR INFORMATION:

1995 taxes were as follows:

City and Park Maintenance: \$5,376.10

State and County: \$19,592.44

City Tax Id#: 422 2167 012 01 8

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CONTINUED - SEE NEXT PAGE  
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OLD REPUBLIC  
Title Company of Kansas City, Inc.

PAGE: 6  
FILE NO.: 96060701-1

State and County Parcel #: R29 340 08 04

BF:smg/062696  
lcc Steve Pack  
lcc Lewis, Rice & Fingersh-Charles Miller



**ADDENDUM C**

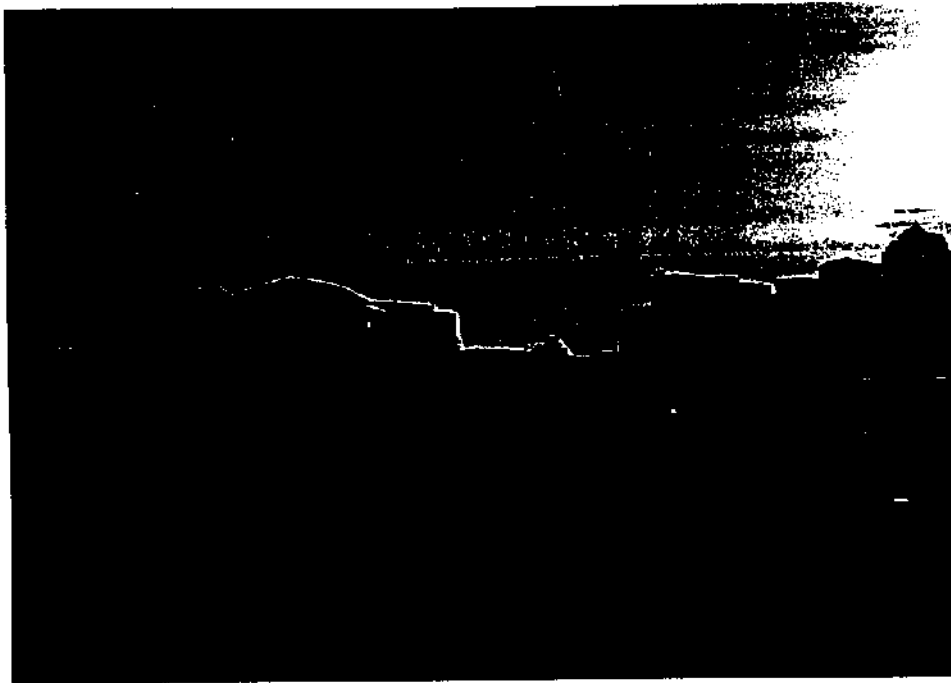
**SUBJECT PHOTOGRAPHS**



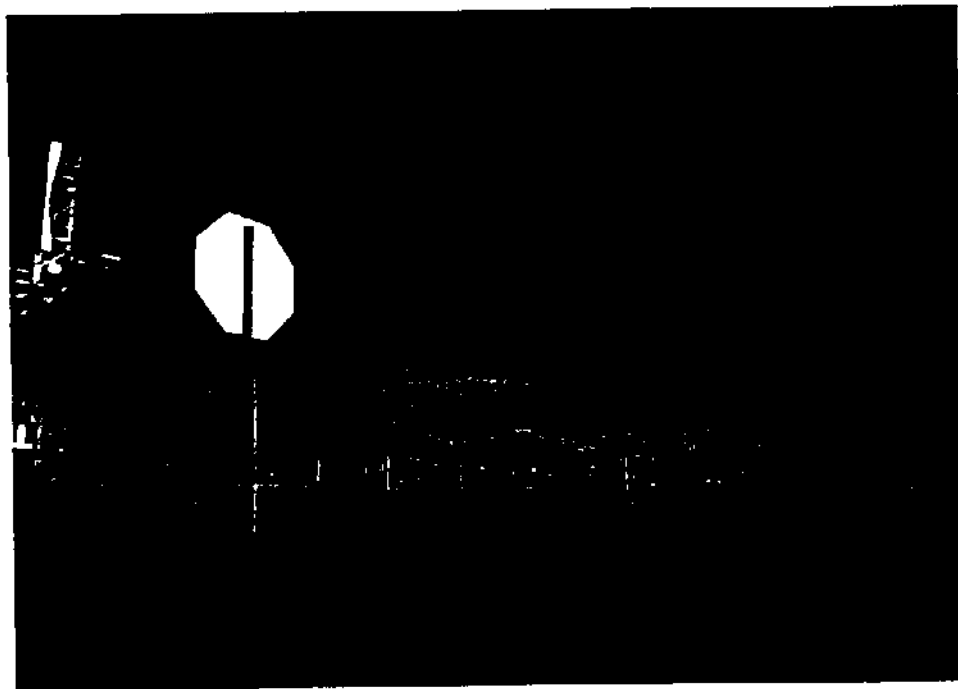
**SUBJECT PROPERTY, LOOKING SOUTHWEST FROM 13TH AND WASHINGTON**



**SUBJECT PROPERTY, LOOKING SOUTHEAST FROM 13TH AND PENNSYLVANIA**



**SUBJECT PROPERTY, LOOKING NORTHEAST FROM 14TH AND PENNSYLVANIA**



**SUBJECT PROPERTY, LOOKING NORTHWEST FROM 14TH AND WASHINGTON**



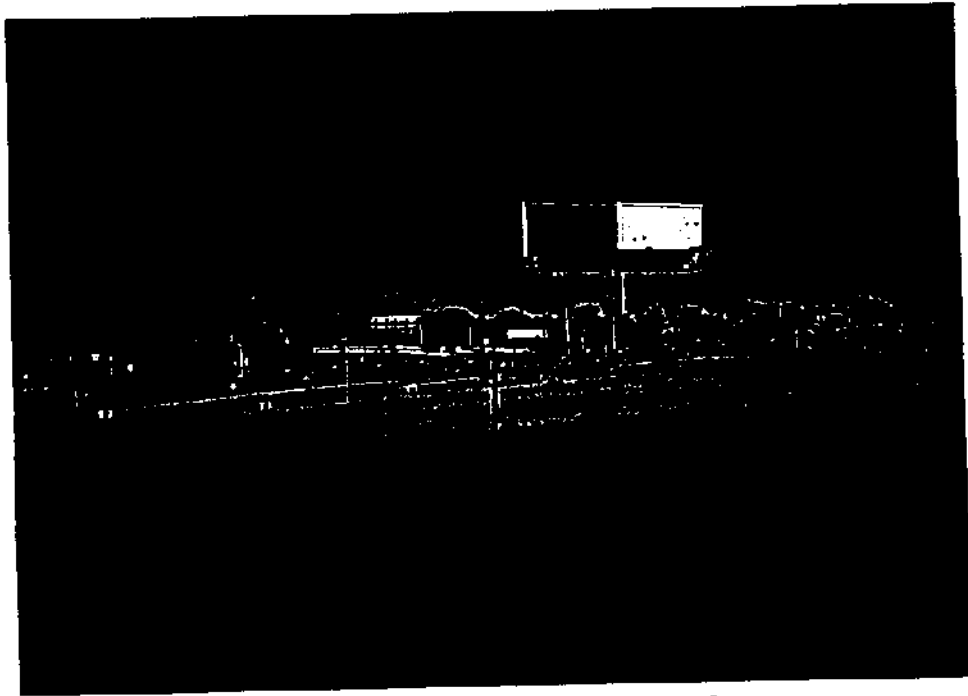
STREET SCENE, LOOKING NORTH ON WASHINGTON



STREET SCENE, LOOKING SOUTH ON WASHINGTON



**STREET SCENE, LOOKING WEST ON 13TH STREET**

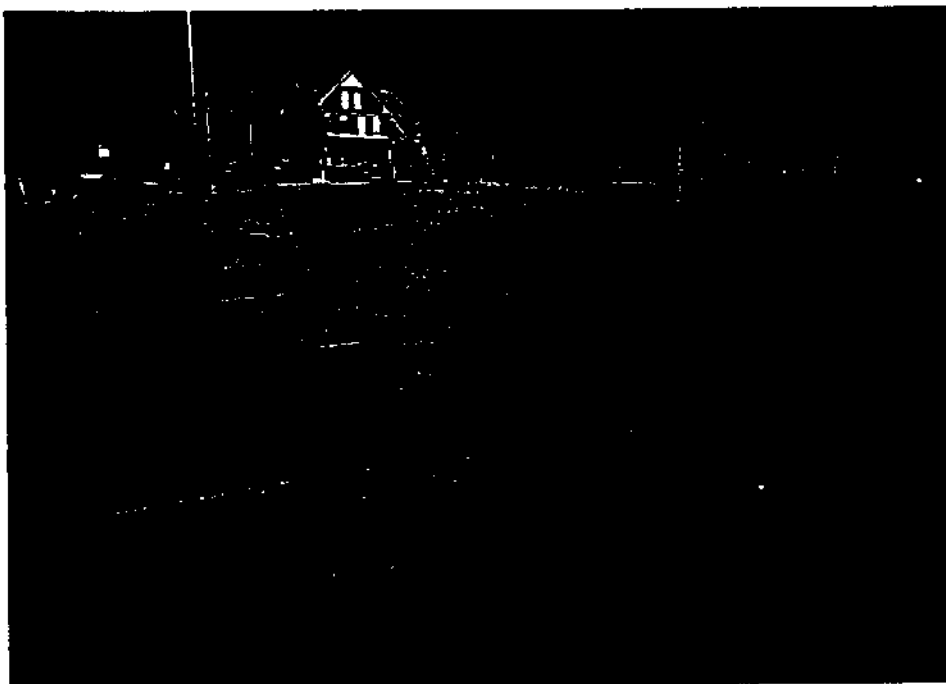


**VIEW OF SIGN IMPROVEMENTS**





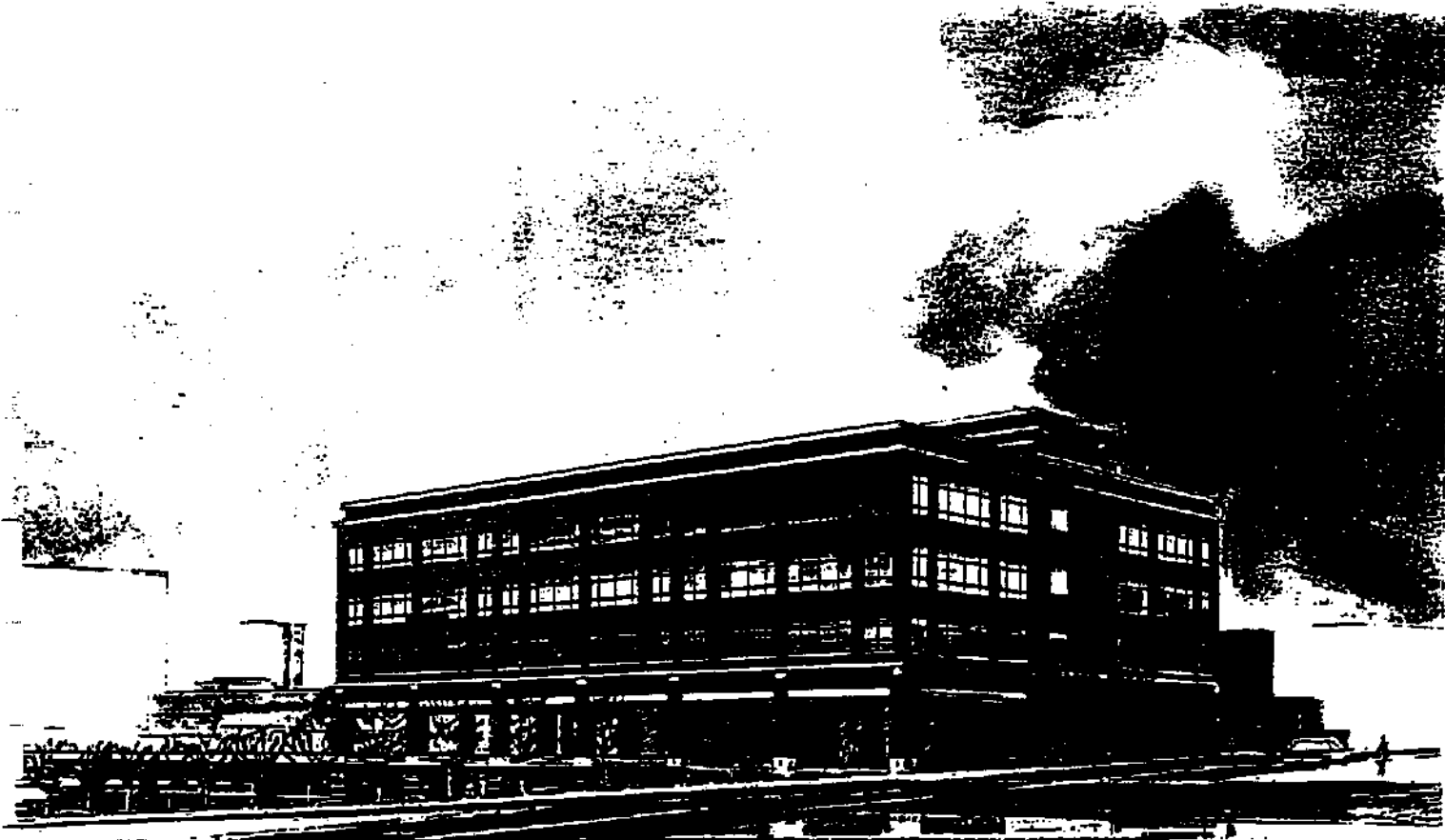
**TYPICAL DETERIORATING ASPHALT**



**GRASS AND WEEDS GROWING THROUGH ASPHALT**

## **ADDENDUM D**

### **PROPOSED DEVELOPMENT COSTS**



# **PROPOSAL FOR UNITOG NATIONAL HEADQUARTERS**

**FEBRUARY 23, 1996**

**SUBMITTED BY:**

**UNITOG COMPANY  
101 W 11th Street  
Kansas City, Missouri**

**PREPARED BY:**

**KING HERSHEY KOCH & STONE  
2345 Grand Boulevard, Suite 2100  
Kansas City, Missouri 64108-2625**

## UNITOG OFFICE BUILDING PROJECT PROPOSAL

Unitog Company ("Unitog") proposes to construct an office building (the "Building") and a parking garage (the "Garage") in downtown Kansas City, Missouri. The Building and Garage (collectively, the "Project") will be located on the southwest corner of 12th Street and Broadway (the "Site"). A map showing the location of the Site is attached as Exhibit 1 and a preliminary site plan is attached as Exhibit 2. The Building will consist of three floors totaling approximately 75,000 square feet of gross building area. The Building will be constructed above the Garage which will accommodate approximately 225 cars.

The Project will cost approximately \$11.6 million. A breakdown of the costs is attached as Exhibit 3. It is estimated that the Project costs will be paid with an equity investment of approximately \$2,320,000 and conventional financing of approximately \$5,680,000. With the approval of the Tax Increment Financing Commission and the City Council of Kansas City, Missouri, the remaining Project costs will be financed utilizing tax increment financing. Preliminary estimates indicate sufficient revenue is available through tax increment financing to make the Project possible. A projection of the payments in lieu of taxes and economic activity taxes to be generated by the Project is attached as Exhibit 4.

Unitog is a publicly traded company and has been headquartered in downtown Kansas City, Missouri for 63 years. It employs approximately 200 people earning an average annual salary of \$37,000 at its headquarters facility which is presently located at 101 West 11th Street. Unitog employs an additional 150 people at its other downtown

facility located at 1735 Cherry.

Unitog officials prefer to continue to have the corporation's national headquarters in downtown Kansas City. As a publicly traded company, however, Unitog's Board of Directors must make a location decision which is economically in the best interests of its shareholders. Upon performing a detailed economic analysis, it is clear that developing the Building at a suburban Kansas location would cost approximately \$5.9 million less than the same Building in downtown Kansas City, unless Unitog receives tax increment financing assistance, in which case the gap could be reduced to \$2.3 million. See the attached Exhibit 5. Consequently, tax increment financing assistance is essential if Unitog is to justify the downtown location to its shareholders.

The Site is located directly west of the entrance to the Bartle Hall Convention Center. The Site has previously been determined to be a blighted area pursuant to the Land Clearance for Redevelopment Authority Law, Sections 99.300 to 99.660, RSMo, which uses the same definition for a blighted area as the Real Property Tax Increment Allocation Redevelopment Act, Sections 99.800 to 99.865, RSMo. The condition of the Site today is virtually the same as when it was found to be a blighted area. It suffers from improper subdivision and obsolete platting and the deterioration of site improvements. These conditions cause the Site to be an economic and social liability and menace to the public health, safety, morals and welfare. The Site has not been developed during the past 25 years and the existing conditions make it unreasonable to believe that it will be developed without tax increment financing.

Not only does the proposed Project meet the statutory "but for" test and the

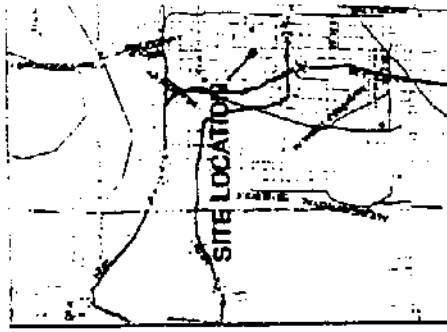
requirement for the remediation of a blighted area, but it also will help to alleviate the parking deficit in the central portion of the downtown area. The Garage will provide ample parking for Unitog's employees and visitors during normal business hours (three times the parking as required by the applicable zoning code). It will also be available to the public in the evening and on the weekends to support Bartle Hall activities and other special events.

The property on the northwest corner of 13th and Broadway immediately adjacent to the Site can be acquired for the construction of a public parking facility in the event the city chooses to pursue additional parking in this area. Unitog is willing to work with the city in order to integrate the Garage with a public parking facility as a part of this Project or a subsequent but related project.

**UNITOC**

Corporate Headquarters

Kansas City, Missouri  
January 18, 1986



Site Plan

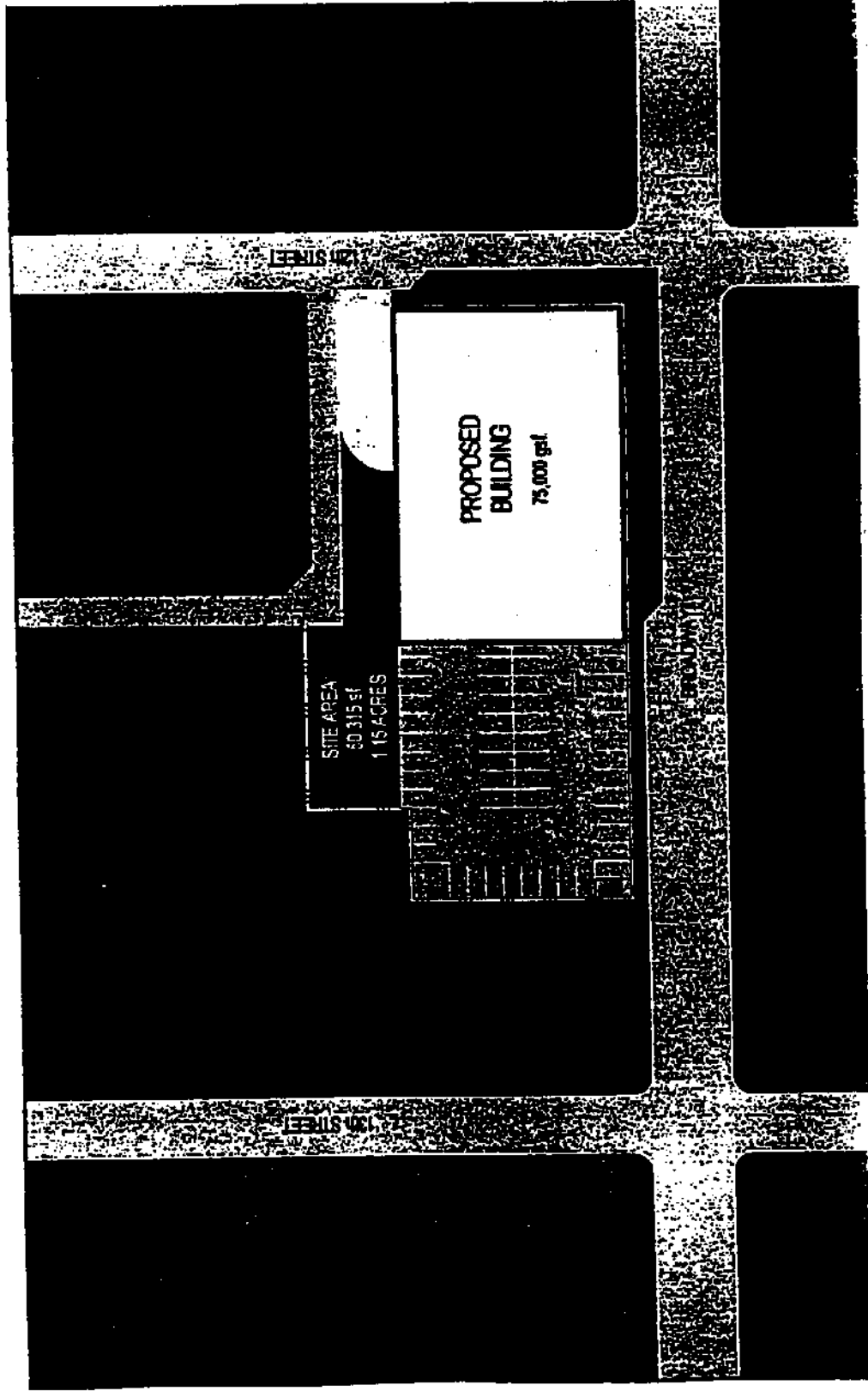


EXHIBIT 3

UNITOG OFFICE RELOCATION  
ESTIMATED PROJECT COSTS

<u>LAND AND CONSTRUCTION COSTS</u>	Total* <u>Cost</u>	Reimbursable* <u>Cost</u>
Land Cost (50,000 sq. ft. x \$25.00)	\$1,250,000	\$1,250,000
Building Shell (75,000 sq. ft. x \$65.00)	4,875,000	
Tenant Finish (75,000 sq. ft. x \$20.00)	1,500,000	
Parking Garage (225 x \$8,500)	1,912,500	1,912,500
Architect & Engineer Fees	<u>(included above)</u>	<u>                    </u>
Subtotal	\$9,537,500	\$3,162,500
 <u>SOFT COSTS</u>		
Land Interim Interest	\$ 157,000	\$ 157,000
Construction Interim Interest	496,000	
Soil, Survey & Environmental	50,000	50,000
Government & Utility Charges	75,000	75,000
Construction Period Real Estate Taxes	58,000	
Legal Fees, Closing & Title	75,000	75,000
Conventional Financing Fees & Costs	163,000	
Development Fees and Commissions	705,000	
TIF Legal & Financing Fees	250,000	250,000
Contingency	<u>71,000</u>	<u>                    </u>
Subtotal	<u>\$2,100,000</u>	<u>\$ 607,000</u>
Total Cost	<u>\$11,637,500</u>	<u>\$3,733,500</u>

\*All cost statements are estimates.



**SUMMARY**  
**PRELIMINARY ANALYSIS OF BUILD-TO-SUIT OPTIONS**  
**PREPARED FOR UNITOG COMPANY**  
**FEBRUARY 7, 1996**

COMMERCIAL REAL ESTATE ADVISORS, INC.

**KCMO KANSAS**

***TOTAL SQUARE FEET:***

TOTAL BOMA GROSS SQUARE FEET ("GSF")	75,000	75,000
TOTAL BOMA RENTABLE SQUARE FEET ("RSF")	68,200	68,200
TOTAL BOMA USABLE SQUARE FEET ("USF")	TBD	TBD
The rentable figures incorporate a 10% loss factor.		
The proposed building gross sq. ft. per floor	25,000	25,000
The proposed building number of floors	3	3

***CONSTRUCTION BUDGET:***

LAND	\$1,250,000	\$1,000,000
BUILDING SHELL (BASED ON 75,000 GROSS SQ. FT.)	4,875,000	4,500,000
PARKING	1,912,500	0
ARCH. & ENGINEERING (INCLUDED IN SHELL)	0	0
TENANT FINISH (75,000 SQ. FT. x \$20.00)	1,500,000	1,500,000
CONSTRUCTION CONTINGENCY	0	0
OTHER DEVELOPMENT COSTS	2,100,000	1,510,000

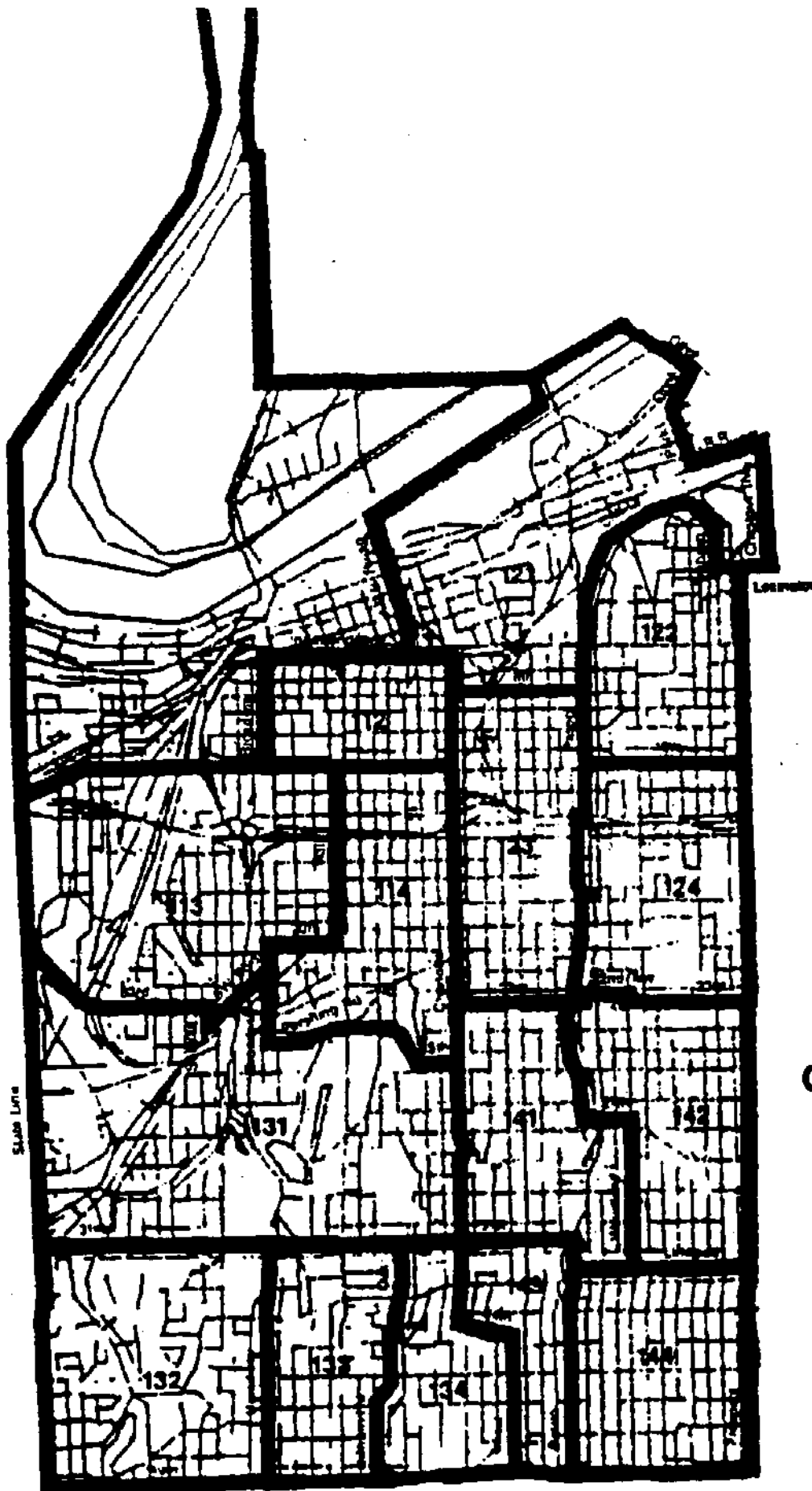
<b><i>TOTAL CONSTRUCTION COSTS</i></b>	<b>\$11,637,500</b>	<b>\$8,510,000</b>
<b>LESS: PRESENT VALUE - LOCAL INCENTIVES</b>	<b>(3,624,625)</b>	<b>(\$1,173,542)</b>

<b><i>SUBTOTALS</i></b>	<b>\$8,012,875</b>	<b>\$7,336,458</b>
<b>LESS: PRESENT VALUE - STATE INCENTIVES</b>	<b>TBD</b>	<b>(\$1,600,750)</b>

<b><i>TOTALS</i></b>	<b>\$8,012,875</b>	<b>\$5,735,708</b>
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<b>EXCESS COST</b>	<b>\$2,277,167</b>	<b>N/A</b>
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**ADDENDUM E**  
**CRIME STATISTICS**



**K.C.P.D.  
Central Patrol Division  
Reporting Areas**

KANSAS CITY MISSOURI POLICE DEPARTMENT  
ANNUAL STATISTICAL SUMMARY  
BY REPORT AREA

RUN DATE: 01/23/96

1995 / 1994

"0" SHOWS RATE OF "LESS THAN ONE"

	111		112		113		114		121	
	95	94 +/-	95	94 +/-	95	94 +/-	95	94 +/-	95	94 +/-
MURDER	2	3	3	4	2	1	0	1	4	4
FORCIBLE RAPE	6	9	10	4	9	3	5	4	18	10
ROBBERY	32	36	102	156	52	42	64	57	94	74
AGGRAVATED ASSAULT	39	35	74	80	71	84	44	35	127	104
YOLIENT OFFENSES	79	83	187	244	134	130	113	97	243	192
BURGLARY	103	161	100	206	95	167	107	135	123	168
LARCENY - THEFT	521	433	787	895	632	559	715	707	226	180
MOTOR VEHICLE THEFT	103	141	161	143	114	147	168	144	123	105
ARSON	6	3	3	6	3	5	7	4	7	5
PROPERTY OFFENSES	733	738	1051	1250	844	878	997	990	479	458
TOTAL PART I OFFENSES	812	821	1238	1494	978	1008	1110	1087	722	650
NON-AGGRAVATED ASSAULT	106	82	233	304	112	97	129	133	159	146
FORGERY/COUNTERFEITING	3	4	53	64	5	6	13	27	2	2
FRAUD	8	5	53	40	18	7	38	26	8	3
EMBEZZLEMENT	5	9	19	24	7	5	20	8	0	2
VANDALISM	94	103	150	126	120	148	117	110	91	84
SEX OFFENSE	5	4	13	5	3	2	4	7	3	10
OTHER OFFENSE	35	23	84	105	14	19	38	32	21	22
TOTAL PART II OFFENSES	256	230	605	668	279	284	359	343	284	269
DISPATCHED CALL ON SUSPICION	831	865	1829	2062	875	841	1039	913	903	869
DISPATCHED CALL ON DISTURBANCE	579	613	1634	1653	834	769	924	815	1566	1678
FIELD CHECK OF PERSON	625	579	1068	1515	627	838	529	756	1986	2197
FIELD CHECK OF PREMISE	94	90	230	328	99	86	157	207	138	149
PART I OFFENSE ARRESTS	14	41	121	121	52	30	97	124	42	47
PART II OFFENSE ARRESTS	49	34	171	228	49	42	93	94	72	65
MARCTIC ARRESTS	49	26	627	773	79	68	262	217	215	146
WEAPON ARRESTS	11	8	175	268	14	24	37	63	28	34
LIQUOR ARRESTS	41	49	149	198	27	23	47	79	11	23
PROSTITUTION/VICE ARRESTS	4	5	156	214	2	0	25	32	11	31
DISORDERLY ARRESTS	20	22	234	195	34	17	102	69	37	35
OTHER ARRESTS (MUNICIPAL)	530	639	18626	20393	918	926	4787	4967	1528	1620
TOTAL MUNICIPAL ORDINANCE VIOLATION ARRESTS	655	749	20167	22041	1074	1058	5260	5427	1830	1889
DISPATCHED CALL ON TRAFFIC	2309	1879	2014	1919	1626	1436	1925	1676	1082	901
VEHICULAR COLLISION REPORT	742	781	501	502	732	712	740	657	463	373
HAZARDOUS MOVING VIOLATIONS	5380	7586	35181	2161	5612	2154	28660	1981	1565	2162
% VALID INTRUSION ALARM	6%	7%	9%	8%	10%	13%	9%	12%	10%	17%
DISPATCHED CALLS PER 1,000 OF POPULATION	3947	3807	14685	15581	2637	2623	15433	15621	2734	2871
VIOLENT OFFENSES PER 1,000 OF POPULATION	46	48	110	143	51	50	141	121	90	71

KANSAS CITY MISSOURI POLICE DEPARTMENT  
ANNUAL STATISTICAL SUMMARY  
BY REPORT AREA

RUN DATE: 01/24/95

1994 / 1993

--*-- SHOWS RATE OF "LESS THAN ONE"														
	94	93 +/-	94	93 +/-	112	94	93 +/-	113	94	93 +/-	114	94	93 +/-	121
MURDER	3	0	+	3	3	1	3	1	1	2	4	4	0	+
FORCIBLE RAPE	9	9	+	4	4	1	6	4	4	6	10	10	10	+
ROBBERY	36	30	+	156	115	42	47	57	74	76	74	74	60	+
AGGRAVATED ASSAULT	35	48	-	80	70	84	65	35	104	50	104	104	114	+
VIOLENT OFFENSES	83	87	-	243	192	130	121	97	192	134	192	192	184	+
BURGLARY	161	139	+	206	119	167	128	135	168	92	168	168	129	+
LARCENY - THEFT	433	354	+	895	709	559	575	707	627	627	180	180	209	+
MOTOR VEHICLE THEFT	141	151	-	143	148	147	154	144	169	169	105	105	118	+
ARSON	3	6	-	6	6	5	6	4	5	2	5	5	10	-
PROPERTY OFFENSES	738	650	+	1250	982	878	863	990	890	890	458	458	466	-
TOTAL PART I OFFENSES	821	737	+	1493	1174	1008	984	1087	1024	1024	650	650	650	-
NON-AGGRAVATED ASSAULT	82	85	-	304	283	97	110	133	130	130	146	146	208	-
FORGERY/COUNTERFEITING	4	2	+	64	47	6	4	27	17	17	2	2	0	+
FRAUD	5	12	-	40	32	7	10	26	27	27	3	3	7	-
EMBEZZLEMENT	9	6	+	24	15	5	8	8	15	15	2	2	0	+
VANDALISM	103	93	+	126	131	146	103	110	114	114	84	84	85	-
SEX OFFENSE	4	5	-	5	13	2	6	7	7	7	10	10	10	-
OTHER OFFENSE	23	42	-	106	163	19	36	32	49	49	22	22	34	-
TOTAL PART II OFFENSES	230	245	-	669	684	284	277	343	359	359	269	269	344	-
DISPATCHED CALL ON SUSPICION	845	880	-	2062	1866	841	808	913	932	932	869	869	813	+
DISPATCHED CALL ON DISTURBANCE	613	592	+	1653	1518	769	821	815	754	754	1678	1678	1460	+
FIELD CHECK OF PERSON	579	714	-	1515	1341	838	944	756	849	849	2397	2397	1485	+
FIELD CHECK OF PREMISE	90	90	-	328	279	46	126	207	215	215	169	169	99	+
PART I OFFENSE ARRESTS	41	20	+	121	125	30	28	124	135	135	47	47	42	+
PART II OFFENSE ARRESTS	34	47	-	228	189	42	56	94	91	91	65	65	116	-
MARCOVIC ARRESTS	26	23	+	773	551	68	42	217	144	144	146	146	98	+
WEAPON ARRESTS	8	9	-	268	223	24	13	63	58	58	34	34	31	+
LIQUOR ARRESTS	49	40	+	198	158	23	33	79	32	32	23	23	11	+
PROSTITUTION/VICE ARRESTS	5	9	-	214	144	0	3	32	34	34	31	31	14	+
DISORDERLY ARRESTS	22	22	-	195	168	17	29	69	53	53	35	35	23	+
OTHER ARRESTS (MUNICIPAL)	639	826	-	20393	18247	926	929	4967	4272	4272	1620	1620	1573	+
TOTAL MUNICIPAL ORDINANCE VIOLATION ARRESTS	749	929	-	22041	19491	1058	1049	5427	4593	4593	1889	1889	1750	+
DISPATCHED CALL ON TRAFFIC	1879	2070	-	1919	1780	1436	1485	1676	1660	1660	901	901	921	-
VEHICULAR COLLISION REPORT	781	930	-	502	608	712	782	657	731	731	373	373	385	-
HAZARDOUS MOVING VIOLATIONS	7586	1655	+	2161	2874	2154	2407	1981	2527	2527	2162	2162	1422	+
% VALID INTRUSION ALARM	78	58	+	88	38	138	78	128	68	68	178	178	88	+
DISPATCHED CALLS PER 1,000 OF POPULATION	3607	4150	-	15581	15898	2623	2817	15621	15832	15832	2871	2871	2395	+
VIOLENT OFFENSES PER 1,000 OF POPULATION	48	51	-	142	112	50	46	121	167	167	71	71	68	+

PAGE: 1

PAGE: 1



**EXHIBIT 9**  
**ESTIMATED DEVELOPMENT SCHEDULE**

<b>TIF Commission Holds Public Hearing</b>	<b>August 1996</b>
<b>City Council Adopts Ordinance Approving TIF Plan and Ordinance Approving Project</b>	<b>Fall 1996</b>
<b>Acquisition Complete</b>	<b>Fall 1996</b>
<b>Construction Commences</b>	<b>4<sup>th</sup> Quarter 1996</b>
<b>Construction Complete</b>	<b>4<sup>th</sup> Quarter 1997</b>
<b>Redevelopment Plan Ceases</b>	<b>Fall 2019</b>





## EXHIBIT 10

### RELOCATION ASSISTANCE PLAN

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

- (i) Designated Occupants. "Designated Occupants" shall mean handicapped displaced occupants and those displaced occupants who are 65 years of age or older at the time of the notice to vacate or who have an income less than the average median income for the metropolitan area as certified annually by the Director of City Development based upon standards established by the Department of Housing and Community Development of Kansas City, Missouri.
- (ii) Displaced Business. "Displaced Business" shall mean any business that moves from real property within the development area as a result of the acquisition of such property, or as a result of written notice to vacate such property, or in conjunction with the demolition, alteration or repair of said property, by the Tax Increment Financing Commission pursuant to RSMo. 99.800 et. seq., as amended.
- (iii) Displaced Occupant. "Displaced Occupant" shall mean any occupant who moves from real property within the development area as a result of the acquisition of such property, or as a result of written notice to vacate such property, or in connection with the demolition, alteration or repair of said property, by the Tax Increment Financing Commission pursuant to RSMo. 99.800 et. seq., as amended.
- (iv) Handicapped Occupant. "Handicapped Occupant" shall mean any occupant who is deaf, legally blind, or orthopedically disabled to the extent that acquisition of other residence presents a greater burden than other occupants would encounter or that modification to the residence would be necessary.
- (v) Occupant. "Occupant" shall mean a residential occupant of a building having lawful possession thereof, and further shall include any person in lawful possession, whether related by blood or marriage to any other occupant.
- (vi) Person. "Person" shall mean any individual, firm, partnership, joint venture, association, corporation and any life insurance company, organized under the laws of, or admitted to do business in the State of Missouri, undertaking a redevelopment project in a urban renewal area, whether organized for profit or not, estate, trust, business trust, receiver or trustee appointed by any state or federal court, syndicate, or any other group or combination acting as a unit, and shall include the male as well as the female gender and the plural as well as the singular number.

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

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

- (i) Payments to all displaced occupants and displaced businesses in occupancy at least ninety (90) days prior to the date said displaced occupant or said displaced business is required to vacate the premises by the developer, its assigns or any

person seeking acquisition powers under the Tax Increment Financing plan pursuant to RSMo. 99.800 et. seq., as amended; and

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

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

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

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

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

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

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

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

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

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

(g) Waiver of Payments. Any occupant who is also the owner of premises and any business may waive their relocation payments set out above as part of the negotiations for

acquisition of the interest held by said occupant or business. Said waiver shall be in writing and filed with the Commission.

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

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

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



**EXHIBIT 11**

**LAND ACQUISITION AND DISPOSITION MAP**

To be included upon approval of Plan.



**EXHIBIT 12**  
**AFFIRMATIVE ACTION POLICY**

January 3, 1996

NAME  
ADDRESS  
CITY STATE ZIP

RE: Tax Increment Financing Commission Projects

Dear TIF Developer:

The Tax Increment Financing Commission has authorized the City of Kansas City, Missouri's Human Relations Department to develop and implement reporting procedures to determine compliance with the TIF Commission's and the City's affirmative action program requirements concerning the TIF Commission's construction projects.

Due to this agreement between the TIF Commission and the Human Relations Department, both agencies ask that each TIF Developer meet with representatives of the TIF commission to discuss project reporting requirements concerning minority/female workforce hours and MBE/WBE dollar amounts.

All developers who currently have contracts for TIF funded projects will be contacted by this office to schedule a meeting date and time to discuss proper reporting procedures related to their specific TIF project.

If you should have any questions or comments regarding this letter please feel free to contact me at 274-1432.

Sincerely,

Raymond Reyes III  
Human Relations Department  
City of Kansas City, Missouri

cc: Robert D. Mayer, Chairman  
John Crawford, Executive Director  
Laura Whitener  
TIF Commission Board Members  
Timothy O. Kristl, Vice-Chairman  
Ron Yaffe, Treasurer  
Harry Spring  
Rev. Ronald L. Williams

**TAX INCREMENT  
FINANCING COMMISSION**

**AFFIRMATIVE ACTION**

**POLICY**



## **TABLE OF CONTENTS**

### **I. TIFC Affirmative Action Requirements**

#### **A. MBE/WBE Requirements**

1. Statement of Commitment
2. Goals
3. Supplies
4. Contract Percentage Assignment
5. Reports
6. Acceptable Methods of Conformance with the Policy
7. Evaluation of Positive Efforts
8. Post-Bid Compliance
9. Provisions for MBE/WBE Substitution
10. Deviation from Contractor Proposed MBE/WBE Participation
11. Submittal of Documents as Required by TIFC

#### **B. Workforce Affirmative Action Requirements**

##### **Action Steps Affirmative**

- I. Preliminary Conference
- II. Developer Submission for Board Approval of Redevelopment Plan
- III. General Contractor Selection
- IV. Redevelopment Project Approvals and Implementation of the Affirmative Action Plan
- V. Pre-Construction Conference
- VI. Monitoring

## AFFIRMATIVE ACTION PROCESS

The procedures outlined are designed to secure maximum opportunities for participation by Minority Business Enterprises (MBE) and Women Business Enterprises (WBE) to bid on projects carried out by the Tax Increment Financing Commission's developers and to insure that minorities and women are included in the construction workforce of contractors participating in the project. This process is based upon the Kansas City Missouri Disparity Study dated October 1, 1994.

The Disparity Study indicated that local minority and women business enterprises continue to face discriminatory barriers in the Kansas City market area. This process is designed to remedy some of those barriers.

The TIFC has a goal of 15% MBE and 5% WBE business participation for professional services and consultants, and a separate goal of 15% minority and 5% women employment for construction activity. Because the TIFC utilizes local tax dollars for reimbursement, local contractors should be utilized to the maximum extent.

### **I. TIFC AFFIRMATIVE ACTION REQUIREMENTS**

#### **A. MBE/WBE REQUIREMENTS:**

1. By executing a Development agreement with the TIF Commission the Developer agrees to fully comply with the requirements, terms and conditions of the TIFC MBE/WBE process, including the use of the goal oriented system for increased minority/women's business participation contained herein and all other requirements, terms and conditions.

#### **2. Goals:**

- a. **Policy:** It is the policy of the TIFC that minority/women's businesses shall have the maximum feasible opportunity to participate in the performance of professional service and construction contracts performed for the TIFC. Good faith efforts must be something more than pro forma efforts to obtain minority/women participation.
- b. **Contract Award:** The Developer agrees to make a good faith effort to carry out this MBE/WBE policy through award of contracts to minority/women's business enterprises to the fullest extent consistent with the efficient performance of this contract. As used in this policy the term "minority/women's businesses" means a local business at least fifty-one percent (51%) of which is owned and controlled by minority group members or women and certified by the Human Relations Department of the city of Kansas City, Missouri.

Minority/Women's ownership must be capable of exercising actual independent day-to-day management.

AS A CONDITION TO HAVING ANY CONTRACT COUNT TOWARD THE MBE/WBE GOAL ACHIEVEMENT, THE MBE/WBE MUST SERVE A USEFUL BUSINESS PURPOSE AND BE CAPABLE OF PERFORMING THE PARTICULAR SCOPE OF WORK INDEPENDENT OF THE DEVELOPERS GENERAL CONTRACTOR OR OTHER NON MINORITY AND NON-WOMAN OWNED CONTRACTORS (I.E. THE MBE/WBE MUST BE CAPABLE OF PROVIDING THE NECESSARY EQUIPMENT AND LABOR FORCE INDEPENDENT OF ANY OTHER CONTRACTOR).

The term "MBE" in this TIFC process defines minority group members as Black Americans, Hispanic Americans, and Asian Americans. These groups were identified by the Disparity Study as underutilized in this market area.

The term "WBE" in this TIFC process is woman owned and controlled. This group was also identified by the disparity study as underutilized.

IN ORDER TO RECEIVE CREDIT FOR CONTRACTS AS MEETING THESE GOALS, DEVELOPERS MUST INSURE THAT MBE/WBE CONTRACTORS ARE CERTIFIED BY THE HUMAN RELATIONS DEPARTMENT OF THE CITY OF KANSAS CITY, MISSOURI, AS HAVING THE CAPABILITY OF PERFORMING THE INTENDED CONTRACT SCOPE OF WORK.

ONLY MBE/WBE CONTRACTORS PREBID CERTIFIED SHALL BE RECOGNIZED BY THE TIFC TO MEET THE MBE/WBE GOALS ESTABLISHED FOR THE PROJECT.

THE HUMAN RELATIONS DEPARTMENT WILL PROVIDE ALL DEVELOPERS A LIST OF CERTIFIED MBE/WBE'S TO ASSIST DEVELOPERS.

THE DEVELOPER SHALL LIST IN THE PROPOSAL THOSE MBE/WBE CONTRACTORS WITH DOLLAR AMOUNTS AND SCOPE OF WORK, WHICH APPLY TO OR EXCEED THE MBE/WBE CONTRACTING GOALS FOR THE PROJECT. IF THE DEVELOPER REQUESTS A FULL OR PARTIAL WAIVER HE MUST FOLLOW THE PROCEDURES ESTABLISHED IN SECTION 7.

3. **Supplies:** In order for a contract between an MBE/WBE supplier and Prime Contractor to be credited toward the MBE/WBE requirement, the MBE/WBE must be involved in the manufacture or distribution of the supplies or materials, or otherwise warehouse and ship the supplies. The following rules apply to the use of MBE/WBE suppliers:
  - a. When the minority/women business supplier is the manufacturer of part or all of the materials, up to one hundred percent (100%) of the cost will be allowed towards meeting the minority/women's goal. [e.g., If the supplier is the manufacturer of all (or essentially all) of the materials, one hundred percent (100%) will be allowed. If the MBE/WBE is involved in the manufacture of a lesser percentage, the amount to be allowed will be determined on a case-by-case basis.]
  - b. Twenty-five percent (25%) of the total expenditure to a MBE/WBE supplier, who is not a manufacturer, may be counted toward the MBE/WBE goal provided the MBE/WBE supplier performs a commercially useful function in the supply process.
4. **Contract Percentage Assignment:** The Developer shall make a good faith effort to contract at least the percent of the total value of the contract assigned to minority/women's businesses. The overall goals established by the TIFC are 15% MBE and 5% WBE. Failure to attain these percentages may lead to rejection of the proposal. This program, includes all design, construction, modification and service work contracted for and by the Developer in the execution of the work under the contract.

Although it is not made a requirement herein for approval of a contract that a Developer in fact meet or exceed these goals in their contracting, it is a requirement for contract approval that a Developer objectively demonstrate to the TIFC that a good faith effort has been exerted to meet these goals.

NOTWITHSTANDING THE FACT THAT A DEVELOPERS PRIME CONTRACTOR MAY HAVE THE CAPABILITY TO COMPLETE THE TOTAL PROJECT WITH THEIR OWN WORK FORCE AND WITHOUT THE USE OF SUBCONTRACTORS, EACH DEVELOPER

WILL BE REQUIRED TO MAKE A POSITIVE GOOD FAITH EFFORT TO CONTRACT WITH LOCAL MINORITY/WOMEN'S FIRMS A SHARE OF THE WORK CONSISTENT WITH THE GOALS.

5. **Reports:** The Developer shall cooperate with TIFC representative to provide necessary monthly and cumulative reports of the Developers minority/women's business utilization.
6. **Acceptable Methods of Conformance with the Policy:** Requirements for making a good faith effort for Minority/Women owned contractor participation may be satisfied by the following methods:
  - a. **Negotiated Subcontract:** The Developer will establish the scope of work in sufficient detail consistent with the work to be performed. negotiation of a mutually acceptable price may proceed with one or more minority/women's firms.
  - b. **Joint Venture:** The Developer' Contractors may utilize a minority/women's firm(s) and bid jointly with such firm(s) for construction services.

If the joint venture method is utilized, credit toward the goal attainment will be determined on the basis of the percentage of the dollar amount of the work to be performed by the MBE/WBE (e.g., if a minority-majority joint venture proposes to perform fifty percent (50%) of a project quoted at \$500,000.00 and fifty percent (50%) of the work is to be performed by the minority party in the joint venture, minority participation will be credited at twenty-five percent (25%) of the total work or \$125,000.00).

General Contractors who establish joint ventures to perform on a specific project with Minority/Women general contractors will receive additional credit of a maximum of 3% of the total contract. The formula to be utilized is  $10\% \times \text{the percent of the contract (a maximum of 30\%)} \text{ e.g. } \$1,000,000 \times \text{a maximum 30\% MBE or WBE participation} \times 10\% = \$30,000 \text{ (3\% MBE or WBE participation)}$ . The MBE or WBE joint venture partner must be capable of independently exercising control over its aspect of the general contract. This amount is in addition to any actual scope of work to be performed by the MBE or WBE. All joint ventures must be prebid certified.

When the formation of a joint venture is anticipated, Form 5A must be completed requesting Kansas City, Missouri Human Relations Department approval of the joint venture. The form must be submitted with the contract.
  - c. The Contractor may not negotiate or form joint ventures with minority and women owned subcontractors which are not certified prior to contracting.
  - d. DEVELOPER IS REQUIRED TO SECURE MINORITY/WOMEN'S PARTICIPATION THROUGH EITHER A NEGOTIATED SUBCONTRACT OR THE FORMATION OF JOINT VENTURES.
  - e. **Records and Awards:** The Developers shall maintain records and shall complete and submit the affidavit (TIFC Forms 1A and 2A as contained in these documents) showing awards to minority/women's businesses, delineated by name, address, telephone number, employer identification number, area/scope of work, referencing contract document section and dollar amount of the contract award, giving a narrative or specific efforts to identify and award subcontracts to minority and women's businesses.

Attached to this document shall be copies of the intent to subcontract letters that have been sent to each of those MBE/WBE's. This letter shall include at a minimum, scope of work, project name and contract dollar amount.

7. Evaluation of Positive Efforts: The Developer shall be deemed to be in compliance with the requirements, terms and conditions of the TIFC Minority/Women's Business Enterprise Program if the Program goals expressed herein are met or exceeded.

No Developer shall be found to be in non-compliance solely on account of failure to meet the MBE/WBE goal. A Developer unable to meet the percentage goal assigned to this contract shall file with the TIFC Form 4A (Request for Exemption Construction Form). The Developer shall be given the opportunity to objectively demonstrate to the TIFC the specific affirmative action steps specified by the TIFC have been instituted and that every effort has been made toward the attainment of the designated goals.

Developers who fail to achieve their commitments to the goals for minority/women's business participation must demonstrate their substantial good faith efforts by documentation which includes at least the following (as examples):

- a. Advertising: Documentation of announcement in Minority/Women's Trade Association Newsletters and/or minority owned media no less than ten (10) working days before bids are due identifying specific subcontracting opportunities at least equal to the percentage goal for MBE/WBE utilization specified for the contract.
- b. Work Segmentation: Documentation showing that the work to be subcontracted was segmented to the extent consistent with the size and capability of minority/women firms in order to provide reasonable subcontracting opportunities.
- c. Written Notification: Documentation showing that Minority/Women Contractor Associations were notified in writing, not less than ten (10) working days before bids are due, of the availability of specific subcontracting opportunities at least equal to the percentage given for MBE/WBE utilization specified for the contract.
- d. Call Log: Log of telephone calls to minority/women contractors including date, time, name of person talked to, and subject of discussion.
- e. Documentation of Subcontractor Negotiations: Documentation of substantial good faith negotiations with those MBE/WBE's from whom proposals were received in an effort to reach a mutually acceptable price must include:
  - a) Scope of work
  - b) Price of MBE/WBE
  - c) Price of the non MBE/WBE Bidder
  - d) Reason for impasse with the MBE/WBE Bidder.

The foregoing documentation must be submitted to the TIFC prior to the Developer proceeding with work on the project.

8. Post-Bid Compliance: Where the TIFC determines that any deficiency(ies) are correctable, the Developer will be advised that action must be taken to correct the deficiency(ies). The TIFC will withhold approval of the proposed contract until satisfactory corrective action has been taken. FAILURE ON THE PART OF THE DEVELOPER TO TAKE THE REQUIRED CORRECTIVE ACTION WITHIN TEN WORK DAYS OR EXPLAIN TO THE SATISFACTION OF THE

TIFC WHY THE CORRECTIVE ACTION CANNOT BE TAKEN SHALL RESULT IN A FINDING THAT THE DEVELOPER IS NON-RESPONSIVE. A FINDING THAT A DEVELOPER IS NON RESPONSIVE WILL CAUSE THE TIFC DEVELOPMENT AGREEMENT TO BE IN DEFAULT AND WILL TERMINATE TIFC REIMBURSEMENT.

9. **Provisions for MBE/WBE Substitution:** Should it be discovered after bid opening that any one of the intended MBE/WBE's certification is no longer valid or after contract award should an MBE/WBE be unable to perform as originally intended, the Developer's general contractor must make a good faith effort to substitute this invalid MBE/WBE with a bona fide MBE/WBE from those who have furnished bids prior to bid opening. The Developer shall notify the TIFC representative in writing the need for MBE/WBE substitution.

In the event a substitution is necessary and no other MBE/WBE's have bid the General Contractor in this particular area of the contract, the General Contractor may, as an alternative to substitution, adjust the MBE/WBE involvement in another area of the total contract bid in order to meet the minimum MBE/WBE participation requirements.

10. **Deviation from Contractor's Proposed MBE/WBE Participation:** Any deviation from the MBE/WBE utilization proposal as noted in the Developer's submission, whether before or after contract award or whether before or after commencement of work on the project requires TIFC approval. The Developer shall immediately within (24 hours) report in writing to the TIFC representative the need to deviate from the approved MBE/WBE utilization proposal.

Failure to report deviations to TIFC will be considered an inaccuracy or falsification and MAY RESULT IN A FINDING THAT THE DEVELOPER IS NON-RESPONSIVE.

If the proposed deviation is not justified to the satisfaction of TIFC, THE DEVELOPER MAY BE FOUND NON-RESPONSIVE.

11. **Submittal of Documents As Required by TIFC:** The Developer shall submit as necessary the following completed MBE/WBE information:

- a. Affidavit of Intended Utilization of MBE/WBE.
- b. Request for Exemption - Construction.
- c. Joint Venture Determination Form.
- d. Schedule for MBE/WBE Utilization.

12. **ACCESS TO INFORMATION:** EVERY DEVELOPER, CONTRACTOR OR SUBCONTRACTOR EMPLOYED UNDER TIFC DEVELOPMENT AGREEMENT IS HEREBY DEEMED TO AGREE TO PERMIT THE TIFC OR THEIR DULY AUTHORIZED AGENTS OR EMPLOYEES, ACCESS AT ALL REASONABLE TIMES TO ALL SUCH PERSONS, BOOKS, PAPERS AS MAY BE NECESSARY TO ASCERTAIN COMPLIANCE WITH THE AFFIRMATIVE ACTION PROGRAM PREVIOUSLY FILED.

**B. WORKFORCE AFFIRMATIVE ACTION REQUIREMENTS**

1. The Developer and all contractors and subcontractors whose contract amounts to 5% or more on the project must have a certification of Affirmative Action by the city of Kansas City Human Relations Department under the Code of General Ordinances Civil Rights Ordinance Section 38-1-137.

2. The Developer shall require all construction contractors and subcontractors on the project to provide to TIFC a monthly utilization report (U.S. Department of Labor cc257 attached) detailing the contractor/subcontractor utilization of minorities and women by construction trade and the hours worked for the relevant period.

The report shall be submitted monthly and cumulative from the date of contracting.

### **AFFIRMATIVE ACTION STEPS**

#### **I. Preliminary Conference**

Within a reasonable time after a potential developer has been identified by the Tax Increment Financing Commission, a conference will be held. This conference will be to review of the overall project, and the TIFC's policies and practices, including the affirmative action policy of the TIFC.

#### **II. Developer Submission for Board Approval of Redevelopment Plan**

- A. Prior to Commission approval of a contract with the selected developers, the developer shall submit all affirmative action documents for staff review and recommendation to the Commission.
- B. The TIFC representative will report on the developer's Affirmative Action Plan and Letter of Intent at the time of the TIFC's consideration and approval of the developer's contract for the proposed redevelopment plan. The Letter of Intent will clarify the steps the developer intends to take in order to make his commitment of MBE/WBE participation a reality. The developer's Affirmative Action Plan shall identify MBE/WBE participants in the pre-construction phase of the project, and the areas in which they will participate.

#### **III. General Contractor Selection**

When advised by the developer that a general contractor has been selected, the Commission representative will meet with the developer and general contractor to explain the Commission's Affirmative Action requirements. This meeting should occur as early as possible in the TIFC approval process.

- A. At the meeting with the developer and the general contractor, the general contractor will be given a packet of information and forms to be filled out. The TIFC representative will acquaint the general contractor with the information contained in the packet, which includes the following:
  1. City's Affirmative Action Plan certification forms
  2. TIFC Affidavit of Intended Utilization
  3. TIFC MBE/WBE Report Format
  4. Prevailing Wage Law (Form PW 1000)
  5. MBE/WBE Resource Agencies
  6. TIFC Board Resolution No. 92-61
- B. The general contractor, notify the TIFC representative of any changes (additions, deletion, etc.) within 24 hours to charge.

#### **IV. Redevelopment Project Approvals and Implementation of the Affirmative Action Plan**

A. Prior to Commission approval of the submission to the City of Kansas City of an Ordinance approving a redevelopment project(s) within a TIFC redevelopment area, the Commission will receive:

1. A written statement detailing the current status of the developer's and general contractor's affirmative action plans, the level of participation accomplished in the project and what steps are envisioned, or will be required to make a good faith effort to accomplish the project's affirmative action plans.

V. Pre-Construction Conference

A. Within a reasonable time before construction begins, the developer and contractor will meet with the TIFC representative to finalize their Affirmative Action Plans.

VI. Monitoring

A. During the construction of the project, the Commission staff and the developer will monitor the project to ensure the Affirmative Action Plan goals are being attained, or in the absence of achieving the goals, a Good Faith Effort is made to achieve the goals. The Commission shall receive annual reports from the developer on the progress of the project's affirmative action goals and be advised in this matter as the Commission deems appropriate.



## **APPENDICES**

1. **City's Affirmative Action Plan certification forms**
2. **TIFC Affidavit of Intended Utilization**
3. **TIFC MBE/WBE Monthly Report Format**
4. **CC 257 Workforce Report**
5. **Joint Venture Determination Form**
6. **Schedule of MBE/WBE Utilization**
7. **Request for Exemption**

## AFFIRMATIVE ACTION PROGRAM PROPOSAL

DESCRIPTION: This is a suggested format and content for an affirmative action program to be written on your company letterhead.

### I. EQUAL EMPLOYMENT POLICY.

- A. This company will develop a policy statement. The proposed format and content of this policy statement is attached for approval.

### II. EQUAL EMPLOYMENT OPPORTUNITY OFFICER.

- A. The following person will be designated as the company's Equal Employment Opportunity Officer.

Name: \_\_\_\_\_

Title: \_\_\_\_\_

- B. This person will have the following responsibilities relative to administration of this Affirmative Action Program:

- C. This person has the following qualifications which will be an asset in the administration of this Program:

- D. A draft of the letter of appointment which will be sent to the Equal Employment Opportunity Officer is attached for review.

### III. DISSEMINATION OF POLICY.

- A. This company will inform all supervisory and other key personnel of the Affirmative Action Program using the following procedures:

1. A draft of written notice to supervisory and other key personnel is attached for review.
2. The following internal procedures will be established to ensure that supervisory and key personnel are complying with the Program.

- B. This company has reviewed the Unlawful Employment practices Ordinance, Code of General Ordinances, City of Kansas City, Missouri.

- C. This company will use the following procedures for informing all of our employees of our commitment to equal employment opportunity and to this Program:

- D. This company will initiate the following procedure to assure that upgrading, promotions, transfers, demotions, lay-off, and terminations of employment will not occur in a manner which will result in prohibited discriminatory practices:
- E. This company will inform all potential sources of employees of our policy and of our desire for their cooperation. A draft of the letter which will be sent to these sources is attached for your review.

#### IV. EMPLOYMENT RECORDS.

- A. If requested, this company will prepare and submit to the Director of Human Relations a summary of our Affirmative Action Program progress for the last twelve (12) months.
- B. This company has completed and attached to this program proposal a Breakdown of Current Workforce (HRD FORM 1016-024).
- C. 1. Below is a list of recruiting sources utilized by this company to attract job applicants and the number or percentage of the workforce employed during the last six (6) months obtained from each source:

Recruiting Sources:	No. or % of total hires from each source:
a. _____	_____
b. _____	_____
c. _____	_____
d. _____	_____

2. Copies of the following are attached:
- Written job descriptions for all job classifications
  - Job prerequisites for all job classifications
  - Any validation studies on tests used by company
  - All employment applications being used
  - Tests which are taken by applicants
  - Other (specify) \_\_\_\_\_
3. The following is a narrative of the process used by this company in processing applicants for employment (use additional paper if necessary):

## V. RECRUITMENT ADVERTISING.

- A. This company will identify itself as an equal opportunity company and will place advertisements for job applicants with the following newspapers, publications and public and private employment agencies, which are likely to yield minority and female applicants.

a.	f.
b.	g.
c.	h.
d.	i.
e.	j.

### B. Recruitment - Employment Sources.

1. This company is precluded from conducting any direct recruiting by our collective bargaining agreement with:

Name of Union: \_\_\_\_\_

Address: \_\_\_\_\_

Business Representative's Name: \_\_\_\_\_

A copy of this clause from our collective bargaining agreement is attached for review

OR

2. This company will initiate the following procedures to seek the cooperation of and work closely with our unions toward the end of increasing minority group opportunities within the unions and effecting referrals by the union of greater numbers of minority group persons.

A draft of correspondence which will be sent to unions is attached for review.

### C. Apprenticeship and Training.

1. This section is not applicable to this company.

OR

2. The following procedures will be initiated to make full use of labor/management sponsored or other training programs designed for the purposes of recruiting and training minority or female applicants and employees:

## VI. SUB-CONTRACTORS.

- A. This company will establish the following procedures for making a good faith effort to solicit the participation of minority group subcontractors or subcontractors with a substantial minority group representation among their employees:
- B. This company will notify all sub-contractors of the provisions of Civil Rights Ordinance, Code of Ordinances, City of Kansas City, Mo. and that they are subject to the provisions of that Section. A copy of the draft of a letter which will be sent to all sub-contractors is attached for review.

## VII. COMPLIANCE REPORT FORMS.

- A. The company agrees to submit a requested schedule of Compliance Report Forms indicating employment activity regarding all-new hires, terminations, and resignations.

## EQUAL EMPLOYMENT OPPORTUNITY OFFICER

DESCRIPTION: This is a suggested letter to be prepared on your company letterhead designating someone in your agency as the Equal Employment Opportunity Officer for your company.

\_\_\_\_\_  
(DATE)

\_\_\_\_\_  
(NAME)

\_\_\_\_\_  
(TITLE)

\_\_\_\_\_  
(ADDRESS)

\_\_\_\_\_  
(CITY, STATE, ZIP CODE)

Dear \_\_\_\_\_:

In keeping with our Affirmative Action Program, you have been designated to act as the Equal Employment Opportunity Officer for this company.

Your duties will include \_\_\_\_\_

(SPECIFY RESPONSIBILITIES)

in relation to the implementation of our Program and you will report to \_\_\_\_\_

(DESIGNATE PERSON AND TITLE)

regarding your activities in this area.

Sincerely,

\_\_\_\_\_  
(SIGNATURE)

\_\_\_\_\_  
(TITLE)

## SUPERVISORS AND OTHER KEY PERSONNEL

DESCRIPTION: This is a suggested format and content for a letter expressing your commitment to your program to be disseminated to all your supervisors and key personnel.

\_\_\_\_\_  
(DATE)

### TO ALL SUPERVISORS AND KEY PERSONNEL:

This company is morally and legally committed to nondiscrimination and affirmative action in employment. Any person who applies for a job with this company will not be discriminated against because of race, color, religion, national origin, sex, disability, sexual orientation or because such applicant is forty (40) years of age or older.

Very often, yours is the responsibility for filling job vacancies. When recruiting for employees, be mindful of the fact that this company has already contacted recruitment sources that are likely to result in a substantial number of minority and/or female applicants. UTILIZE THESE RESOURCES!!

Whenever the occasion arises and we need to advertise in the newspaper for recruiting and you are responsible for placing the advertisement, please request that the words "Equal Opportunity Employer" or "We Are An Affirmative Action Employer" appear at the bottom of the ad. In addition, be sure that every effort is made to place comparable ads in publications that have a wide circulation in minority communities. A list of the publications specified in our Affirmative Action Program is attached for your reference.

If you have questions, please contact \_\_\_\_\_, our Equal Employment Opportunity Officer.

Sincerely,

\_\_\_\_\_  
(SIGNATURE)

\_\_\_\_\_  
(TITLE)

## EMPLOYMENT AGENCY

DESCRIPTION: This is a suggested letter to be prepared on your letterhead to any employment agencies that you use.

\_\_\_\_\_  
(DATE)

Dear \_\_\_\_\_:

This company is legally and morally committed to nondiscrimination and affirmative action in employment. Any person who applies for a job with this company will not be discriminated against because of race, color, religion, national origin, sex, handicap or because such applicant is forty (40) year of age or older. All applicants meeting our Basic Occupational Qualifications for any job are welcome and encouraged to apply for jobs with the company.

In connection with this policy, we have developed an Affirmative Action Program in accordance with Civil Rights Ordinance, Code of General Ordinances, City of Kansas City, Missouri.

We earnestly request that you assist us in the recruiting phase of our Affirmative Action Program by referring minority and female applicants as well as other applicants when you are contacted by our company.

Please respond in writing to us acknowledging your willingness and capabilities to make referrals consistent with our Program needs.

Sincerely,

\_\_\_\_\_  
(SIGNATURE)

\_\_\_\_\_  
(TITLE)



## UNION CORRESPONDENCE

DESCRIPTION: This is a suggested format and content for a letter to be written on your company letterhead to all unions, if applicable to your particular situation.

\_\_\_\_\_  
(DATE)

\_\_\_\_\_  
(NAME OF BUSINESS REPRESENTATIVE OR COMPARABLE)

LOCAL NO. \_\_\_\_\_  
(NAME OF UNION)

\_\_\_\_\_  
(ADDRESS)

\_\_\_\_\_  
(CITY, STATE AND ZIP CODE)

Dear \_\_\_\_\_:

This company is morally and legally committed to nondiscrimination and affirmative action in employment. Any person who applies for a job with this company will not be discriminated against because of race, color, religion, national origin, sex, disability, sexual orientation or because such applicant is forty (40) years of age or older.

In keeping with this policy we have designed and agreed to implement an Affirmative Action Program in accordance with the provisions contained in the Civil Rights Ordinance Code of General Ordinances, City of Kansas City, Missouri.

In policy statements, all of our National Unions have declared a firm commitment to this type of policy in accord or agreement with the Civil Rights Act of 1964 and Executive Order 11246.

We earnestly solicit your help by engaging in aggressive recruitment and referral to us of minorities and females. May we count on your help in this manner?

Thank you for your cooperation.

Sincerely yours,

\_\_\_\_\_  
(SIGNATURE)

\_\_\_\_\_

## PROSPECTIVE SUBCONTRACTORS

DESCRIPTION: This is a suggested format and content for a letter to be written on your company letterhead to all prospective subcontractors.

\_\_\_\_\_  
(DATE)

\_\_\_\_\_  
(NAME)

\_\_\_\_\_  
(ADDRESS)

\_\_\_\_\_  
(CITY, STATE AND ZIP CODE)

Dear \_\_\_\_\_:

This company is morally and legally committed to nondiscrimination and affirmative action in employment. In connection with this policy we have developed an Affirmative Action Program in accordance with the Civil Rights Ordinance Code of General Ordinances, City of Kansas City, Missouri.

Our program, in part, requires that we shall include those provisions of the Civil Rights Ordinance relating to Contract Conditions as a provision in all subcontract language as well as notification that subcontractors are subject to all of the provisions.

You may adopt the Affirmative Action Program developed by this company by so indicating to me in writing or you may contact the Director of Human Relations for the City of Kansas City, Missouri at (816) 274-1432 to secure the necessary information and forms for developing your own program.

We earnestly solicit your cooperation in this manner.

Sincerely,

\_\_\_\_\_  
(SIGNATURE)

\_\_\_\_\_  
(TITLE)



KANSAS CITY  
MISSOURI

4th FLOOR, CITY HALL  
314 E. 12th STREET  
Kansas City, Missouri 64106-2795

(816) 274-1432

### AFFIRMATIVE ACTION QUESTIONNAIRE

THIS FORM MUST BE FULLY COMPLETED OR YOUR BID WILL BE DISQUALIFIED  
Please Print or Type

\_\_\_\_\_  
COMPANY NAME

\_\_\_\_\_  
MAILING ADDRESS

\_\_\_\_\_  
CITY/STATE

\_\_\_\_\_  
ZIP CODE

\_\_\_\_\_  
PLANT OR BUSINESS LOCATION (IF DIFFERENT FROM ABOVE)

\_\_\_\_\_  
CONTACT PERSON

\_\_\_\_\_  
TELEPHONE NUMBER

EMPLOYER IDENTIFICATION NUMBER AS ISSUED BY IRS OR PERSONAL SOCIAL  
SECURITY NUMBER OF AN OWNER \_\_\_\_\_

Is this company a minority or woman owned business?  
The owner is Black \_\_\_ Hispanic \_\_\_ American Indian \_\_\_ Asian \_\_\_ Other \_\_\_ Woman \_\_\_

Indicate the number of employees (check one)

1 - 5 _____	41 - 50 _____
6 - 10 _____	51 - 100 _____
11 - 20 _____	101 - 150 _____
21 - 30 _____	151 - 200 _____
31 - 40 _____	Plus- 200 _____

IT IS UNDERSTOOD THAT THE CITY'S CIVIL RIGHTS ORDINANCE 53581 REQUIRES  
AN AFFIRMATIVE ACTION PROGRAM SUBMISSION (CIVIL RIGHTS ORDINANCE,  
CODE OF GENERAL ORDINANCES, CITY OF KANSAS CITY, MO.) BY A PROVIDER  
OF GOODS AND SERVICES TO THE CITY, AND UNLESS THIS REQUIREMENT IS  
COMPLIED WITH, SAID PROVIDOR SHALL BE LIMITED TO A TOTAL AMOUNT OF  
\$ 10,000 FOR SALES AND/OR SERVICES TO THE CITY IN THIS AND THE NEXT  
PRECEDING FISCAL YEAR.

\_\_\_\_\_  
SIGNATURE

\_\_\_\_\_  
TITLE





KANSAS CITY  
MISSOURI

4th FLOOR, CITY HALL  
414 E. 12th STREET  
Kansas City, Missouri 64106-2795

(816) 274-1432

## COMPLIANCE REPORT FORM INSTRUCTIONS

### DEFINITION OF JOB TITLE

Refers to a specific job title used to describe the nature of work performed. (Example: A clerk or clerical position can have many job titles such as file clerk, clerk typist, secretary, bookkeeper, receptionist, etc.). For the purpose of this report, job title and job classification are used interchangeably.

### PROCEDURE FOR RENEWAL

The Human Relations Department will issue a reminder forty-five (45) days prior to the certificate expiration date. Submit the second period compliance report format the time of your request for renewal.

### DIRECTIONS FOR COMPLETION

- Page 2 ( 1- 4) This information should be completed for each reporting period. The Employer Identification Number is the same as the Federal Identification Number.
- ( 6- 8) This information can be obtained on the cover page to your certificate.
- ( 9-12) Provide this information from your most current personnel records.
- ( 13 ) If you have contracted with any minority company for services or supplies, please complete this section.
- Page 3 The Applicant Flow Chart is used to document the employment activity for ALL positions for which persons are interviewed, hired or for which an application is pending. A procedure to accurately document ethnic information can be done as a separate part of your employment application. (see reverse side for EXHIBIT A)
- Page 4 The Employment Analysis Chart is used to document employment information for persons who were terminated or who resigned from your company.
- Page 5 A breakdown of current workforces should reflect updated information from pages 3 & 4. It is important that the salary range for each job title be completed.
- Page 6 CC257 is used to document the hours worked by minority and women employees on a monthly basis. (Construction firms only.)

If additional instructions are necessary, please contact your contract compliance officer for more information.

EXHIBIT A

EXPLANATION:

This form is optional and will only be used for statistical purposes. This should be kept separate from your application. It will in no way be used in the employment process. Fill out the form completely and accurately. It is essential that the job title be correct, and that you have checked the appropriate boxes.

Name \_\_\_\_\_

Job Title Applied For \_\_\_\_\_

\_\_\_ 1. American Indian

\_\_\_ 4. Hispanic

\_\_\_ Male

\_\_\_ 2. Asian

\_\_\_ 5. White

\_\_\_ Female

\_\_\_ 3. Black

How did you find out about this job?

\_\_\_ Newspaper or Publication    \_\_\_ Employment Agency

Specify \_\_\_\_\_ Specify \_\_\_\_\_

\_\_\_ Word of Mouth

\_\_\_ Walk in

\_\_\_ Other

## COMPLIANCE REPORT FORM

### Basic Company Information:

1. Name of Company \_\_\_\_\_
2. Street Address \_\_\_\_\_  
City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_
3. Telephone Number \_\_\_\_\_
4. Employer I.D./Federal I.D. # \_\_\_\_\_

### Compliance Report Information:

5. Please provide name of current Equal Employment Opportunity Officer.  
Name \_\_\_\_\_ Title \_\_\_\_\_
6. Report Date \_\_\_\_\_
7. Circle period your reporting 1st 2nd
8. Certificate Expiration Date \_\_\_\_\_

### Company Workforce Information:

9. Total number of employees at this location \_\_\_\_\_ Total in Company \_\_\_\_\_
10. Total number of minorities at this location \_\_\_\_\_ Total in Company \_\_\_\_\_
11. Total number of females at this location \_\_\_\_\_ Total in Company \_\_\_\_\_
12. Figures for employment analysis obtained from:  
Available Employment Records \_\_\_\_\_ Visual Check \_\_\_\_\_ Other(Specify) \_\_\_\_\_

### Minority Contracting Information:

13. List all minority contractor/suppliers with whom you have contracted during this reporting period.  
(Attach additional page if necessary)  
Name of Minority Contractor \_\_\_\_\_  
Address \_\_\_\_\_  
Product, Service, Scope of Work \_\_\_\_\_  
Duration of Contract \_\_\_\_\_ Amount of Contract \_\_\_\_\_

This compliance review prepared and submitted to the Director of Human Relations by:

SIGNATURE \_\_\_\_\_

NAME (Type or Print) \_\_\_\_\_

DATE \_\_\_\_\_

I certify that all answers and information herein contained are true to the best of my knowledge, and I understand that any misstatement of fact may subject this company to non-compliance procedures.

PAGE 3 of 6



# APPLICANT FLOW CHART

Position Applied For	Recruiting Source	Were you hiring at the time of applica- tion		TOTAL MALE #					TOTAL FEMALE #					A G E  O V E R  4 0	
				National Origin Race - Ancestry					National Origin Race - Ancestry						
				B L A C K	W H I T E	H I S P A N I C	A M E R I N D	A S I A N	B L A C K	W H I T E	H I S P A N I C	A M E R I N D	A S I A N		
List by Job Title		YES	NO												
Interviewed															
Hired															
Pending															

Please use separate sheet if additional lines are needed.

## EMPLOYMENT ANALYSIS: QUIT/RELEASED

[illegible]

**FILE NO.**

## BREAKDOWN OF CURRENT WORK FORCES

[illegible]

## AFFIDAVIT OF INTENDED UTILIZATION

### AFFIDAVIT OF INTENDED UTILIZATION OF SUBCONTRACTORS ON \_\_\_\_\_ DEPARTMENT PROJECT

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ )

Comes now \_\_\_\_\_, of lawful age and being duly sworn, upon his/her oath states as follows:

- I. This affidavit is made for the purpose of complying with portions of the Affirmative Action Program submittal requirements which address subcontracts and Minority/Women Business Enterprises (MBE/WBE) utilization.
- II. Through this affidavit assurance is given that there will be minimum of \_\_\_\_\_ percent ( %) Minority Business Enterprise (M.B.E.) participation in the above-named project and a minimum of \_\_\_\_\_ percent ( %) Women's Business Enterprise (W.B.E.) participation. Set forth herein are the names of all subcontractors, regardless of tier, with whom I, or my subcontractors will contract if awarded the contract on this project.

A. That the following list is true and accurate to the best of my knowledge:

- 1) Name \_\_\_\_\_  
Address \_\_\_\_\_  
\_\_\_\_\_  
Telephone Number \_\_\_\_\_  
I.R.S. Number \_\_\_\_\_  
Area/Scope\* of Work \_\_\_\_\_  
Subcontract Amount \_\_\_\_\_
- 2) Name \_\_\_\_\_  
Address \_\_\_\_\_  
\_\_\_\_\_  
Telephone Number \_\_\_\_\_  
I.R.S. Number \_\_\_\_\_  
Area/Scope\* of Work \_\_\_\_\_  
Subcontract Amount \_\_\_\_\_
- 3) Name \_\_\_\_\_  
Address \_\_\_\_\_  
\_\_\_\_\_  
Telephone Number \_\_\_\_\_  
I.R.S. Number \_\_\_\_\_  
Area/Scope\* of Work \_\_\_\_\_  
Subcontract Amount \_\_\_\_\_  
\*\* Supplier Amount \_\_\_\_\_

\* Reference to specification sections or bid item number

\*\* IMPORTANT: MBE/WBE Material Suppliers- Only 25% of their total contract amount can be considered toward the MBE/WBE percentages. See HRD Forms and Instructions (00430-2 & 3) guidelines.

List additional subcontractors, if any, on a similar form and attach to the bid.

B. That the following narrative is a summary of efforts exhausted in attempts to involve minority contractors, subcontractors, and suppliers. (Must be filled)

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III. That I am authorized to make this Affidavit in my capacity as \_\_\_\_\_  
(TITLE)  
of this Developer.

DATED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_ 19 \_\_\_\_\_.

\_\_\_\_\_  
(NAME OF DEVELOPER)

BY \_\_\_\_\_  
(AFFIANT)

\_\_\_\_\_  
(TITLE)

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_ 19 \_\_\_\_\_.

\_\_\_\_\_  
(NOTARY PUBLIC)

MY COMMISSION EXPIRES:

\_\_\_\_\_

## TIFC MBE WBE Monthly Report

Developer: \_\_\_\_\_

Reporting Month/Year: \_\_\_\_\_

**General Contractor:** \_\_\_\_\_

MBE/WBE Subcontractors	Total Amount of Contract	Expenditure for Reporting Month	Cumulative Expenditures

# Monthly Employment Utilization Report

## U.S. DEPARTMENT OF LABOR Employment Standards Administration Office of Federal Contract Compliance Programs

Report is required by Executive Order 11846, Sec. 101. Failure to report can result in contracts being cancelled, terminated or suspended in whole or in part and the contractor may be declared ineligible for further Government contracts of Federal or State construction contracts.

1. Covered Area (SMISA or EA)

2. Employer's I.D. No.

OMB No. 1215-0163  
Expires: 12/31/94

Current Goals 4. Reporting Period Name and location of Contractor

Federal Funding Agency (List all)

Verify \_\_\_\_\_  
Date \_\_\_\_\_  
To \_\_\_\_\_

### 6. TOTAL FEDERAL & NON-FEDERAL CONSTRUCTION WORK HOURS

INSTRUCTION TRADE	Classifications	6. TOTAL FEDERAL & NON-FEDERAL CONSTRUCTION WORK HOURS										7. Minority Percentage	8. Female Percentage	9. Total Number of Employees		10. Total Number of Minority Employees	
		6a. Total All Employees By Trade		6b. Black (Not of Hispanic Origin)		6c. Hispanic		6d. Asian or Pacific Islander		6e. American Indian or Alaskan Native				M	F	M	F
		M	F	M	F	M	F	M	F	M	F						
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**MBE/WBE DETERMINATION FORM FOR JOINT VENTURE**  
( For Projects of \$100,000 or More)

This form need not to be filled in if each of the firms in the joint venture is minority/women owned.

1. Name of Joint Venture \_\_\_\_\_
2. Address of Joint Venture \_\_\_\_\_
3. Phone Number of Joint Venture (\_\_\_\_) \_\_\_\_\_
4. Identify the firms which comprise the joint Venture. (The MBE partner must complete the MBE/WBE Eligibility Determination Form.)  
\_\_\_\_\_  
\_\_\_\_\_
  - a. Describe the role of the MBE firm in the Joint Venture.  
\_\_\_\_\_  
\_\_\_\_\_
  - b. Describe very briefly the experience and business qualifications of each non- MBE co-venture.  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
5. Nature of the joint Venture's business \_\_\_\_\_  
\_\_\_\_\_
6. What is the claimed percentage of MBE ownership: \_\_\_\_\_
7. Ownership of Joint Venture. Attach a copy of the Joint Venture Agreement. (The following need not be filled in if described in the Joint Venture Agreement).  
\_\_\_\_\_  
\_\_\_\_\_
  - a) Description of profit and loss sharing.  
\_\_\_\_\_  
\_\_\_\_\_
  - b) Description of capital contributions, including equipment:  
\_\_\_\_\_  
\_\_\_\_\_
  - c) Description of other applicable ownership interests.  
\_\_\_\_\_  
\_\_\_\_\_



- a) Financial decisions \_\_\_\_\_
- b) Management decisions, such as:
- (1) Estimating \_\_\_\_\_
  - (2) Marketing and Sales \_\_\_\_\_
  - (3) Hiring and firing of management personnel \_\_\_\_\_
  - (4) Purchasing of major items or supplies \_\_\_\_\_

**If after filing this information and before the completion of the Joint Venture's work on the contract covered by this regulation there is any significant change in the information submitted, the Joint Venture must inform the City either directly or through the prime contractor.**

"The undersigned swear(s) that the foregoing statements are correct and include all material and information necessary to identify and explain the terms and operation of our Joint Venture and the intended participation by each joint venture in the undertaking. Further, the undersigned covenant and agree to provide the City current, complete and accurate information regarding actual Joint Venture work and the payment thereof and any proposed changes in any of the Joint Venture arrangements and to permit the audit and examination of the books, records, and files of the Joint Venture, by an authorized representative of the Human Relations Department. Any material misrepresentation will be grounds for terminating any contract which may be awarded and for initiating action under Federal or State laws concerning false statements.

\_\_\_\_\_  
Name of Firm

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

On this \_\_\_\_\_ day of \_\_\_\_\_ 19 \_\_\_\_, comes before me (name) \_\_\_\_\_  
to execute the affidavit and does so as his or her free act and deed.

Notary Public \_\_\_\_\_  
Commission Expires \_\_\_\_\_

## REQUEST FOR EXEMPTION - CONSTRUCTION

This form must be completed, signed and submitted with MBE/WBE Bid documents when the MBE/WBE participation requirements set for a contract has not been met.

Contractor \_\_\_\_\_  
Project Number or Title \_\_\_\_\_  
Scope of Work to be performed \_\_\_\_\_

I do hereby request that an exception be granted from the requirements that a minimum of \_\_\_\_ percent ( %) of the dollar value of this contract be placed with minority Business Enterprises and a minimum of \_\_\_\_ percent ( %) be placed with Women Business Enterprises.

Attached is documentation of good faith efforts as provided.

In connection with the above captioned project and this request, I hereby certify that I am the \_\_\_\_\_ and duly authorized representative of

\_\_\_\_\_  
(Company Name)

\_\_\_\_\_  
(Address)

Attached is my statement as to why this request is deemed necessary.



## **EXHIBIT 13**

### **DESIGN REVIEW PROCESS**

All redevelopment proposals for the Tax Increment Finance Commission of Kansas City, Missouri will be subject to design review and approval by the Commission. In addition, all development proposals for new construction, or the rehabilitation of existing structures within designated Tax Increment areas will be subject to the Commission's design review and approval. This review will evaluate the quality and appropriateness of the proposal on the basis of the design objectives stated in the Plan and in the special land use and building requirements stated in more detailed and refined Development Objectives and Controls which may be prepared for the site.

This review will be conducted by the Commission. The Commission may engage professional consulting services from time to time to provide technical advices. Required submissions shall be made to the Commission through the Executive Director.

Required submission will occur at three stages in the preparation of redevelopment proposals. Additional informal reviews at the request of either the Redeveloper or the Commission Staff are encouraged. It is the intention of the Commission Staff that once approval has been given of a submission stage, further review will be limited to consideration of a development or refinement of previous approved submission, or to new elements which were not present in previous submissions.

The formal stages of submission follow:

#### **1. SCHEMATIC DESIGN**

This review is intended to secure agreement on and approval of the basic design concept prior to extensive work by the Redeveloper's Architect. The Commission does not encourage submission of more than the following, which it feels is sufficient to describe the proposal:

- (a) Site plan at any appropriate scale (1"=100' and 1" = 40' are preferred scales); emphasizing general relationships of proposed and existing buildings, walls and open space, including that mutually defined by buildings on adjacent parcels and across streets. The general location of walks, driveways, parking, service areas, roads and major landscape features, in addition to the buildings, should be shown. Pedestrian and vehicular flow through the parcel and to adjacent areas shall be shown. Where relevant, site sections showing height relationships with proposed and adjacent buildings shall be provided.
- (b) Building plans, elevations, and sections at any appropriate scale, showing organization of functions and spaces. These drawings need not be more detailed than sufficient to indicate general architectural character and proposed finish materials.
- (c) All sketches, diagrams, and other materials relevant to the proposal which were used by the architect during his initial study and which will help to clarify the architect's problem and his solution to it.

- (d) Written statement of proposal, including total square footage, F.A.R., number of parking spaces, structural system and principal building materials, and estimated costs.
- (e) Proposed time schedule for the following submissions and estimated construction time.

Upon approval by the Commission of the SCHEMATIC DESIGN, the following submission is required:

## **2. DESIGN DEVELOPMENT**

This review is intended to secure agreement on and approval of the final design prior to extensive and detailed work on the preliminary working drawings.

- (a) Site Plan development of 1(a) at 1" = 40' minimum (or as determined after approval of SCHEMATIC DESIGN). Phasing possibilities, if any, shall be shown. Proposed site grading, including typical existing and proposed grades at parcel lines shall be shown. Those areas of the site proposed to be developed "by others" or easements to be provided for others shall be clearly indicated. All dimensions which may become critical from the point of view of zoning shall be indicated. Adjacent buildings, streets and buildings across streets must be indicated.
- (b) Site sections at 1" = 40' (minimum) showing vertical relationships in addition to those shown above.
- (c) Building plans, elevations, and sections developed from those of 1(b).
- (d) Time schedule for the following submission.

Upon approval by the Commission of the DESIGN DEVELOPMENT, the following submission is required:

## **3. FINAL WORKING DRAWINGS AND SPECIFICATIONS**

This review is intended to secure final agreement on and approval of the contract documents and the complete proposal.

- (a) Complete site plans for the final parcel development to working drawing level of detail. These drawings, upon approval, will serve as a basic coordination drawing indicating scope of work and responsibilities to be performed by others.
- (b) Complete working drawings and specifications ready for bidding.
- (c) Statement of proposal, indicating differences, if any, from 1(d).
- (d) Time schedule for construction of this project.
- (e) Detailed financial plan, including costs, rents and operation.

Once FINAL WORKING DRAWINGS AND SPECIFICATIONS have been approved and construction started, the only items subject to an additional review will be

requests for change orders in the construction. The Redeveloper is strictly required to construct the project in accordance with all details of the approved drawings. Permission to make changes from such approved drawings must be requested by the Redeveloper in writing to the Director of Planning, who, in turn, will reply in writing, giving his approval or disapproval of the changes. No changes in the work are to be undertaken until such approval has been obtained.



## **EXHIBIT 14.**

### **DEFINITIONS**

As used in this Plan, the following terms shall mean:

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

B. "Conservation area," any improved area within the boundaries of a redevelopment area located within the territorial limits of a municipality in which fifty percent or more of the structures in the area have an age of thirty-five years or more. Such an area is not yet a blighted area but is detrimental to the public health, safety, morals, or welfare and may become a blighted area because of any one or more of the following factors: Dilapidation; obsolescence; deterioration; illegal use of individual structures; presence of structures below minimum code standards; abandonment; excessive vacancies; overcrowding of structures and community facilities; lack of ventilation, light or sanitary facilities; inadequate utilities; excessive land coverage; deleterious land use or layout; depreciation of physical maintenance; and lack of community planning;

C. "Economic Activity Taxes," fifty percent (50%) of the total additional revenue from taxes which are imposed by the municipality or other taxing districts, which are generated by economic activities within the Redevelopment Project Area, while tax increment financing remains in effect, excluding licenses, fees or special assessments, other than payments in lieu of taxes, until the designation is terminated pursuant to subsection 2 of Section 99.850 of the Act;

D. "Economic Development area," any area or portion of an area located within the territorial limits of a municipality, which does not meet the requirements of subdivisions A and B of this section, and in which the governing body of the municipality finds that redevelopment is in the public interest because it will:

1. Discourage commerce, industry or manufacturing from moving their operations to another state; or
2. Result in increased employment in the municipality; or
3. Result in preservation or enhancement of the tax base of the municipality.

E. "Municipality," a city, village, or incorporated town or any county of this state;

F. "Obligations," bonds, loans, debentures, notes, special certificates, or other evidences of indebtedness issued by a municipality or the Commission to carry out a redevelopment project or issued by a municipality to refund outstanding obligations;



G. "Ordinance," an ordinance enacted by the governing body of a city, town, or village or a county or an order of the governing body of a county whose governing body is not authorized to enact ordinances;

H. "Payment in lieu of taxes," those estimated revenues from real property in the area selected for a redevelopment project, which revenues, according to the redevelopment project or plan, are to be used for a public purpose, which taxing districts would have received had a municipality not adopted tax increment allocation financing, and which would result from levies made after the time of the adoption of tax increment allocation financing during the time the current equalized value of real property in the area selected for the redevelopment project exceeds the total initial equalized value of real property in such area until the designation is terminated pursuant to the Act. Payments in lieu of taxes which are due and owing shall constitute a lien against the real estate of the redevelopment project from which they are derived, the lien of which may be foreclosed in the same manner as a special assessment lien as provided in Section 88.861;

I. "Redevelopment Area," an area designated by a municipality, in respect to which the municipality has made a finding that there exist conditions which cause the area to be classified as a blighted area, a conservation area, economic development area, or a combination thereof.

J. "Redevelopment plan," the comprehensive program of a municipality for redevelopment intended by the payment of redevelopment costs to reduce or eliminate those conditions, the existence of which qualified the Redevelopment Area as a blighted area, conservation area, economic development area, or combination thereof, and to thereby enhance the tax bases of the taxing districts which extend into the Redevelopment Area;

K. "Redevelopment Project," any development project within a redevelopment area in furtherance of the objectives of the redevelopment plan, any such redevelopment project shall include a legal description of the area selected for the redevelopment project.

L. "Redevelopment Project Area," the area selected for a specific redevelopment project;

M. "Redevelopment Project Costs" include the sum total of all reasonable or necessary costs incurred or estimated to be incurred, and any such costs incidental to a redevelopment plan or redevelopment project, as applicable. Such costs include, but are not limited to, the following:

1. Costs of studies, surveys, plans and specifications;
2. Professional service costs, including, but not limited to, architectural, engineering, legal, marketing, financial, planning or special services;
3. Property assembly costs, including, but not limited to, acquisition of land and other property, real or personal, or rights or interests therein, demolition of buildings, and the clearing and grading of land;
4. Costs of rehabilitation, reconstruction, or repair or remodeling of existing buildings and fixtures;
5. Initial costs for an economic development area;

6. Cost of construction of public works or improvements;

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

8. All or a portion of a taxing district's capital costs resulting from the redevelopment project necessarily incurred or to be incurred in furtherance of the objectives of the redevelopment plan and project to the extent the municipality by written agreement accepts and approves such costs;

9. Relocation costs to the extent that a municipality determines that relocation costs shall be paid or are required to be paid by federal or state law;

10. Payments in lieu of taxes;

N. "Taxing districts," any political subdivision of this state having the power to levy taxes;

O. "Taxing districts' capital costs," those costs of taxing districts for capital improvements that are found by the municipal governing bodies to be necessary and to directly result from the redevelopment project; and

P. "Vacant land," any parcel or combination of parcels of real property not used for industrial, commercial, or residential buildings.

Q. "Special Allocation Fund," a fund created pursuant to statute into which payments in lieu of taxes and economic activity taxes are deposited and out of which Redevelopment Project Costs are reimbursed.