

**THIRD AMENDMENT  
to  
19<sup>th</sup> TERRACE & CENTRAL  
TAX INCREMENT FINANCING PLAN**

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**KANSAS CITY, MISSOURI**

**TIF COMMISSION APPROVAL:**

12/13/06                      12-41-06  
**DATE:**                      **RESOLUTION No.**

**CITY COUNCIL APPROVAL:**

2/01/07                      070088  
**DATE:**                      **ORDINANCE No.**

**Attached herewith is a true and correct copy of the TIF Plan that was approved by the Tax Increment Financing Commission of Kansas City, Missouri.**

**THIRD AMENDMENT  
TO THE  
19th Terrace & Central  
TAX INCREMENT FINANCING PLAN**

**I. Introduction**

This Third Amendment to the 19th Terrace & Central Tax Increment Financing Plan (the "Third Amendment") shall change the 19th Terrace & Central Redevelopment Plan as approved by the Ordinance No. 990702 on June 3, 1999 (referred to herein as the "Plan") and subsequently amended by the Ordinance No. 000778 on June 15, 2000 (referred to herein as the "First Amendment"), and Ordinance No.040871 on August 5, 2004 (referred to herein as the "Second Amendment"). The Third Amendment provides for: a) changing the use of the property in Project 2 from commercial space and related parking to residential condominiums/retail/office and related parking; b) dividing the existing Project Area 2 into three separate Project Area (Project Areas 2a, 2b, and 2c); c) clarifies that PILOTS and EATS from Projects 2a, 2b, and 2c may be used in other project areas in the TIF Plan area if they are not needed by the project which generates them; d) the Redevelopment Project Costs for Project 2a; e) changing the use of the property in Project 12 from residential condominiums to approximately 34,600 square feet of leasable commercial space; f) revising the Redevelopment Project costs for Project 12; and making other revisions as necessary. To the extent the Plan varies with the Third Amendment, said Plan shall be amended and superseded thereby.

**II. Specific Amendments**

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

**Amendment No. 1:** Delete those portions of Exhibit I.B of the Plan, "Legal Description," related to Project 2 and insert "Revised Legal Descriptions – Project 2a, 2b, and 2c," attached hereto, in their stead.

**Amendment No. 2:** Delete Exhibit II of the Plan, "Site Plan," and insert "Revised Site Plan," attached hereto, in its stead.

**Amendment No. 3:** Delete those portions of Exhibit II of the Plan, "Project Design Summary Plan," related to Projects 2 and 12, and insert the following in their stead:

"Projects 2a, 2b, and 2c (Properties B and C) – The property in Project 2a will be redeveloped with 279,870 square feet of residential, 6,000 square feet of commercial and office, 2,700 square feet of retail, and related parking. This project will be developed using Chapter 353 real property tax abatement through the Planned Industrial Expansion Authority; however, it is also intended to be activated as a TIF project in order to capture PILOTS and EATS for use in other

**Amendment No. 6**

Delete the first sentence of Section IV.A of the Plan, "Estimated Redevelopment Project Costs," and insert the following in its stead:

"Redevelopment Project Costs are estimated to be approximately \$75,399,139, of which \$9,976,959 will qualify as Reimbursable Project Costs."

**Amendment No. 7**

Delete the third sentence in Section IV.C of the Plan, "Payments In Lieu Of Taxes," and insert the following in its stead:

"The total Payments In Lieu OF Taxes generated by the development over the duration of the Plan is approximately \$18,570,093, as shown in detail on Exhibit 8."

**Amendment No.8**

Delete the first sentence of Section IV.D of the Plan, "Economic Activity Taxes," and insert the following in its stead:

"The estimated Economic Activity Taxes over the duration of the Plan are approximately \$4,692,278, as shown on Exhibit 8, all of which will be made available upon annual appropriation to pay eligible Redevelopment Costs."

available upon annual appropriation to pay eligible Redevelopment Project Costs.”

**Amendment No. 9;** Delete those portions of Exhibit 3 – “Construction & Employment Information” related to Projects 2 and 12, respectively, and insert “Revised Construction & Employment Information – Projects 2a and 12,” attached hereto, in their stead.

**Amendment No.10:** Delete those portions of Exhibit 5 of the Plan, entitled “Revised Estimated Redevelopment Project Costs,” related to Projects 2 and 12, and insert “New Revised Estimated Redevelopment Project Costs – Projects 2a and 12,” attached hereto, in their stead.

**Amendment No. 11:** Delete those portions of Exhibit 6 of the Plan, entitled “Sources and Uses of Funds,” related to Projects 2 and 12, and insert “Revised Sources and Uses of Funds – Projects 2a and 12,” attached hereto, in their stead.

**Amendment No. 12:** Insert the December 5, 2006 “But For” Analysis prepared by Integra Realty Resources, Inc., attached hereto, as a supplement to Exhibit 10.

**Amendment No. 1**

**Exhibit 1B**

**“Revised Legal Descriptions of Projects 2a, 2b, and 2c”**

**Project Area 2a**

All of Lots 1 – 5, including the vacated alley East of and adjacent to Lots 1 – 5, and all of Lots 12 – 15, Block 8, Goodrich Addition, a subdivision in Kansas City, Jackson County, Missouri.

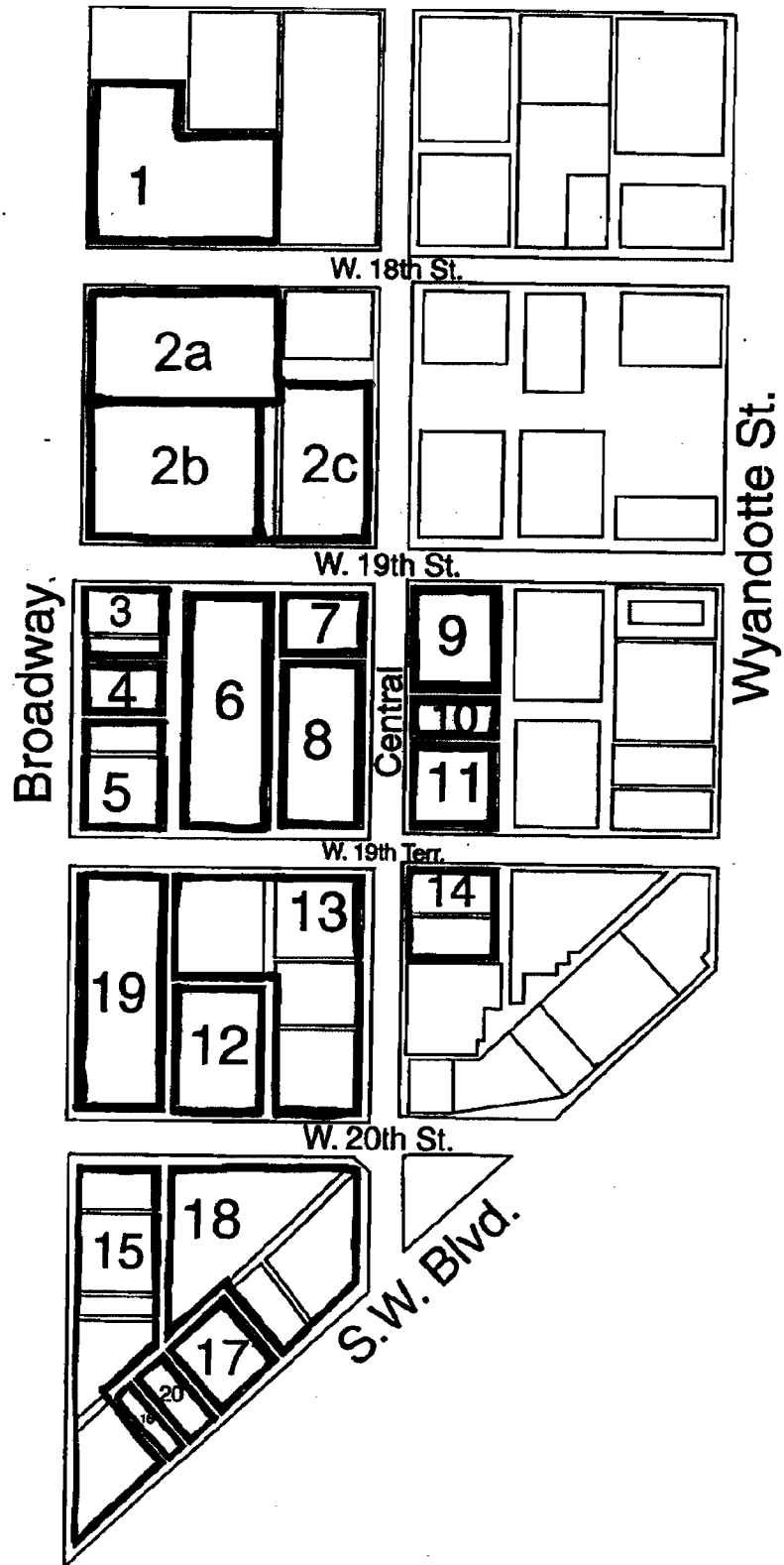
**Project Area 2b**

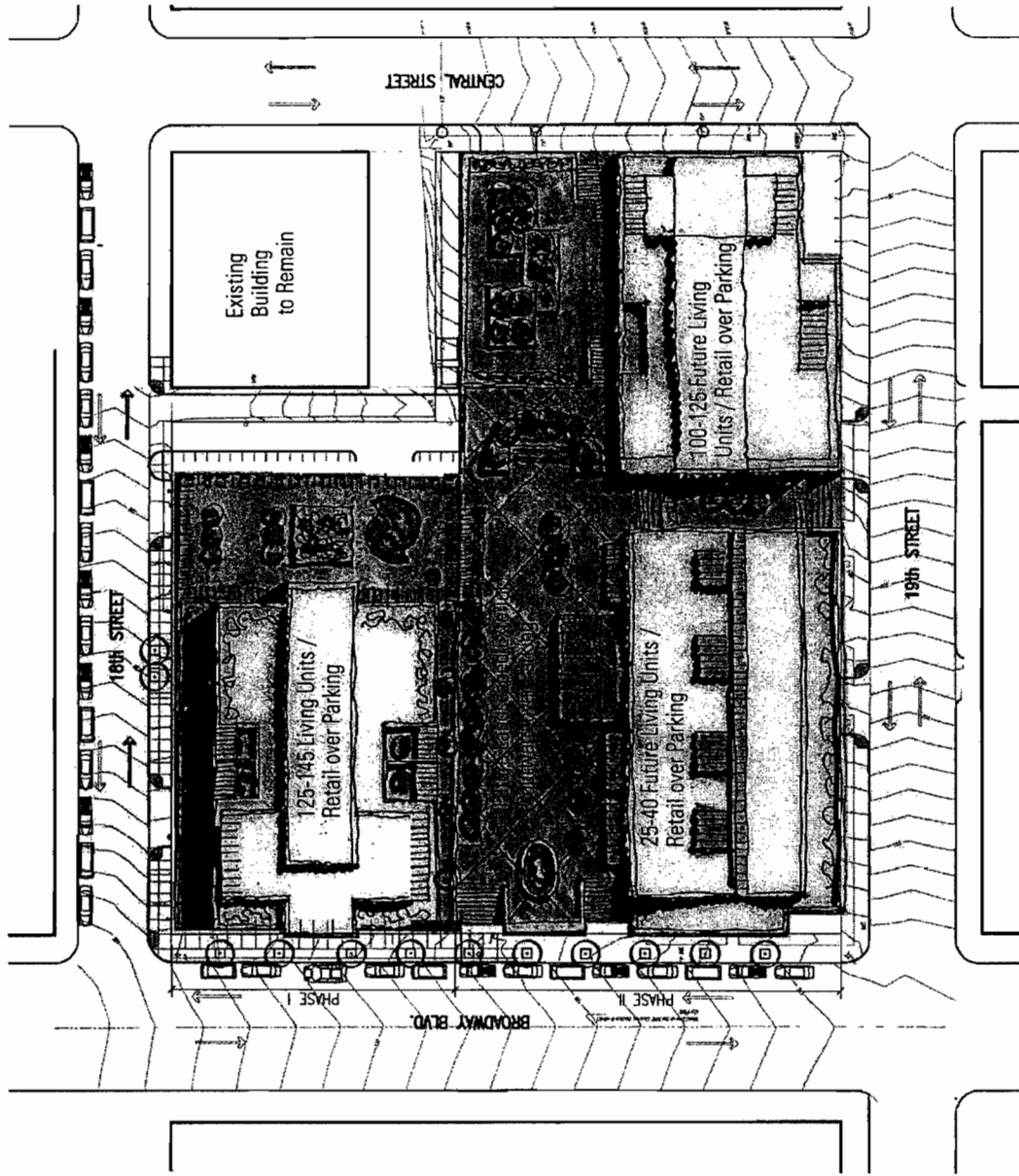
All of Lots 6 – 11, including the vacated alley East of and adjacent to Lots 6 – 11, and Lots 28 – 30, including the vacated alley North of and adjacent to Lots 28 – 30.

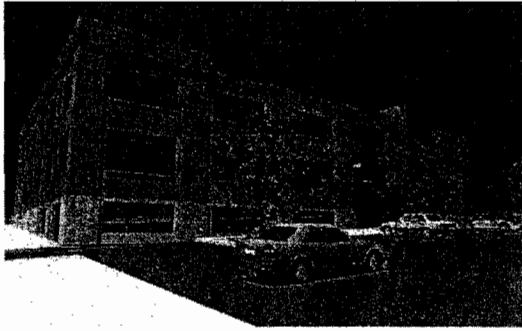
**Project Area 2c**

Lots 20 (except the North 3.55 feet thereof) and all of Lots 21 – 26, including the alley lying West of and adjacent to Lot 20 (except the North 3.55 feet thereof) and Lots 21 – 26, and all of Lot 27, including the vacated alley lying North of and adjacent to Lot 27

**Amendment No. 2**  
**Revised Site Plan**







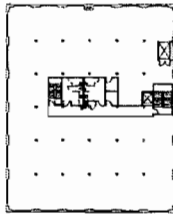
View looking West



North Elevation



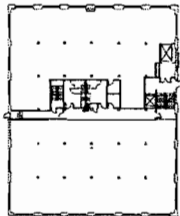
East Elevation



Second Floor Plan



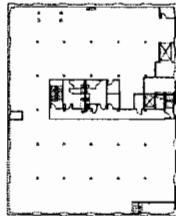
South Elevation



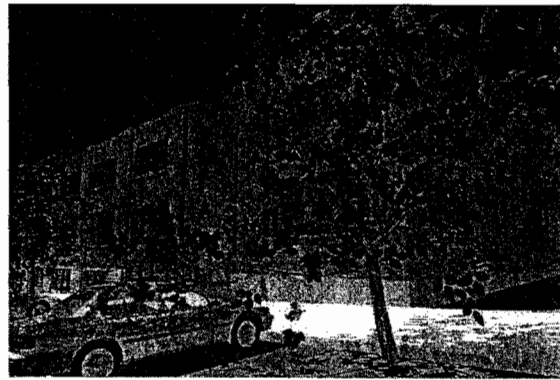
First Floor Plan



West Elevation



Ground Floor Plan



View looking Southwest

## ZAHNER BUILDING

ACCARDO CREATIVE ARTS AND DESIGN DISTRICT

Gastinger Walker Harden Architects





### **Amendment No. 3**

Delete those portions of Exhibit II of the Plan, "Project Design Summary Plan," related to Projects 2 and 12, and insert the following in their stead:

Projects 2a, 2b, and 2c (Properties B and C) – The property in Project 2a will be redeveloped with 279,870 square feet of residential, 6,000 square feet of commercial and office, 2,700 square feet of retail, and related parking. This project will be developed using Chapter 353 real property tax abatement through the Planned Industrial Expansion Authority; however, it is also intended to be activated as a TIF project in order to capture PILOTS and EATS for use in other project areas within the TIF Plan area. Following the construction of the Project 2a improvements but prior to the construction of the permanent improvements to Projects 2b and 2c, parking for Project Area 2a will be provided on Project Area 2c and Project Area 2b will be landscaped (the "Temporary Improvements.") Once construction commences on the Project 2b and 2c permanent improvements, the Temporary Improvements" will be removed. Prior to the commencement of construction on Projects 2b and 2c, the TIF Plan will be amended to provide for Redevelopment Project Costs associated with the permanent improvements to Projects 2b and 2c.

Project 12 (Property P) – Rehabilitate 34,600 square feet of the Zahner Building for commercial and office use."

### **Amendment No. 4**

Delete the first sentence of Section III.C of the Plan, "Project Improvements," and insert the following in its stead:

"The Project Improvements will consist of the development of approximately 279,870 square feet of residential space, 11,000 square feet of warehouse space, 142,500 square feet of office and commercial space, 49,700 square feet of retail, 726 new and rehabilitated parking spaces, together with all necessary utilities and street improvements."

### **Amendment No. 5**

Delete the first sentence of Section III.E of the Plan, "Estimated Date of Completion," and insert the following in its stead:

"As set forth in the Redevelopment Schedule attached as Exhibit 4, construction of all the Project Improvements are expected to be completed by the year 2012."

project areas within the TIF Plan area if they are not needed by the project which generates them. Following the construction of the Project 2a improvements but prior to the construction of the permanent improvements to Projects 2b and 2c, parking for Project Area 2a will be provided on Project Area 2c and Project Area 2b will be landscaped (the "Temporary Improvements.") Once construction commences on the Project 2b and 2c permanent improvements, the Temporary Improvements" will be removed. Prior to the commencement of construction on Projects 2b and 2c, the TIF Plan will be amended to provide for Redevelopment Project Costs associated with the permanent improvements to Projects 2b and 2c.

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**Amendment No. 5:** Delete the first sentence of Section III.E of the Plan, "Estimated Date of Completion," and insert the following in its stead:

"As set forth in the Redevelopment Schedule attached as Exhibit 4, construction of all the Project Improvements are expected to be completed by the year 2012."

**Amendment No. 6:** Delete the first sentence of Section IV.A of the Plan, "Estimated Redevelopment Project Costs," and insert the following in its stead:

"Redevelopment Project Costs are estimated to be approximately \$75,399,139, of which \$9,976,959 will qualify as Reimbursable Project Costs."

**Amendment No. 7:** Delete the third sentence of Section IV.C of the Plan, "Payments In Lieu Of Taxes," and insert the following in its stead:

"The total Payments In Lieu Of Taxes generated by the development over the duration of the Plan is approximately \$18,570,093, as shown in detail on Exhibit 8."

**Amendment No. 8:** Delete the first sentence of Section IV.D of the Plan, "Economic Activity Taxes," and insert the following in its stead:

"The estimated Economic Activity Taxes over the duration of the Plan are approximately \$4,692,278, as shown on Exhibit 8, all of which will be made

**19TH TERRACE AND CENTRAL TIF PLAN  
INCREMENT PROJECTIONS FOR PROJECT 2a**

Board of Development  
The Broadway Place, Only  
With 10 Yearly Abatement

Year	Fair Market Value	Total Assessed Value	Incremental Assessed Value	RE Taxes	PILOTS	Total Taxes and PILOTS	Economic Activity Taxes							Total EATS (50% of Incremental Taxes)	PILOTS and EATS Collected	
							Year	Sales	Incremental Sales Taxes	Total Earnings	Incremental Earnings Taxes	Utilities	Incremental Utilities Taxes			Total EATS (50% of Incremental Taxes)
Base Year (2007)	\$ 495,254	\$ 158,481	\$ 14,871	\$ 14,871	\$ 14,871	\$ 14,871	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
2007	\$ 495,254	\$ 158,481	\$ 14,871	\$ 14,871	\$ 14,871	\$ 14,871	\$ 270,000	\$ 8,253	\$ 846,000	\$ 8,460	\$ 504,998	\$ 50,500	\$ 33,606	\$ 31,926		
2008	\$ 41,435,444	\$ 8,081,296	\$ 7,922,814	\$ 4,802	\$ 4,802	\$ 4,802	\$ 275,400	\$ 8,418	\$ 862,920	\$ 8,629	\$ 515,097	\$ 51,510	\$ 34,278	\$ 32,565		
2009	\$ 51,794,305	\$ 10,101,619	\$ 9,943,138	\$ 4,802	\$ 4,802	\$ 4,802	\$ 280,908	\$ 8,586	\$ 880,178	\$ 8,802	\$ 525,399	\$ 52,540	\$ 34,964	\$ 33,216		
2010	\$ 51,794,305	\$ 10,101,619	\$ 9,943,138	\$ 4,802	\$ 4,802	\$ 4,802	\$ 286,526	\$ 8,758	\$ 897,782	\$ 8,978	\$ 535,907	\$ 53,591	\$ 35,663	\$ 33,880		
2011	\$ 53,886,795	\$ 10,509,725	\$ 10,351,244	\$ 4,802	\$ 4,802	\$ 4,802	\$ 292,257	\$ 8,933	\$ 915,738	\$ 9,157	\$ 546,626	\$ 54,663	\$ 36,377	\$ 34,558		
2012	\$ 53,886,795	\$ 10,509,725	\$ 10,351,244	\$ 4,802	\$ 4,802	\$ 4,802	\$ 298,102	\$ 9,112	\$ 934,052	\$ 9,341	\$ 557,558	\$ 55,756	\$ 37,104	\$ 35,249		
2013	\$ 56,063,821	\$ 10,934,318	\$ 10,775,837	\$ 4,802	\$ 4,802	\$ 4,802	\$ 304,064	\$ 9,294	\$ 952,733	\$ 9,527	\$ 568,709	\$ 56,871	\$ 37,846	\$ 35,954		
2014	\$ 56,063,821	\$ 10,934,318	\$ 10,775,837	\$ 4,802	\$ 4,802	\$ 4,802	\$ 310,145	\$ 9,480	\$ 971,788	\$ 9,718	\$ 580,083	\$ 58,008	\$ 38,603	\$ 36,673		
2015	\$ 58,328,800	\$ 11,376,064	\$ 11,217,583	\$ 4,802	\$ 4,802	\$ 4,802	\$ 316,348	\$ 9,670	\$ 991,224	\$ 9,912	\$ 591,685	\$ 59,169	\$ 39,375	\$ 37,406		
2016	\$ 60,685,283	\$ 11,835,657	\$ 11,677,176	\$ 4,802	\$ 4,802	\$ 4,802	\$ 322,675	\$ 9,863	\$ 1,011,048	\$ 10,110	\$ 603,519	\$ 60,352	\$ 40,163	\$ 38,155		
2017	\$ 60,685,283	\$ 11,835,657	\$ 11,677,176	\$ 4,802	\$ 4,802	\$ 4,802	\$ 329,128	\$ 10,060	\$ 1,031,269	\$ 10,313	\$ 615,589	\$ 61,559	\$ 40,986	\$ 38,949		
2018	\$ 63,136,969	\$ 12,313,818	\$ 12,155,336	\$ 5,178	\$ 970,189	\$ 970,189	\$ 335,711	\$ 10,261	\$ 1,051,895	\$ 10,519	\$ 627,901	\$ 62,790	\$ 41,785	\$ 39,517		
2019	\$ 63,136,969	\$ 12,313,818	\$ 12,155,336	\$ 5,178	\$ 1,009,384	\$ 1,009,384	\$ 342,425	\$ 10,467	\$ 1,072,933	\$ 10,729	\$ 640,459	\$ 64,046	\$ 42,621	\$ 40,311		
2020	\$ 65,687,702	\$ 12,811,296	\$ 12,652,815	\$ 5,326	\$ 1,009,164	\$ 1,009,164	\$ 349,274	\$ 10,676	\$ 1,094,391	\$ 10,944	\$ 653,268	\$ 65,327	\$ 43,473	\$ 41,357		
2021	\$ 65,687,702	\$ 12,811,296	\$ 12,652,815	\$ 5,326	\$ 1,050,164	\$ 1,050,164	\$ 356,259	\$ 10,890	\$ 1,116,279	\$ 11,163	\$ 666,333	\$ 66,633	\$ 44,343	\$ 42,183		
2022	\$ 68,341,485	\$ 13,328,872	\$ 13,170,391	\$ 5,498	\$ 1,092,590	\$ 1,092,590	\$ 363,384	\$ 11,107	\$ 1,138,605	\$ 11,386	\$ 679,660	\$ 67,966	\$ 45,230	\$ 43,766		
2023	\$ 68,341,485	\$ 13,328,872	\$ 13,170,391	\$ 5,498	\$ 1,037,682	\$ 1,037,682	\$ 370,652	\$ 11,329	\$ 1,161,377	\$ 11,614	\$ 693,253	\$ 69,325	\$ 46,134	\$ 44,807		
2024	\$ 71,102,482	\$ 13,867,359	\$ 13,708,878	\$ 5,622	\$ 1,080,109	\$ 1,080,109	\$ 378,065	\$ 11,556	\$ 1,184,604	\$ 11,846	\$ 707,118	\$ 70,712	\$ 47,057	\$ 45,230		
2025	\$ 71,102,482	\$ 13,867,359	\$ 13,708,878	\$ 5,622	\$ 1,136,731	\$ 1,136,731	\$ 385,626	\$ 11,787	\$ 1,208,296	\$ 12,083	\$ 721,261	\$ 72,126	\$ 47,998	\$ 46,134		
2026	\$ 73,975,022	\$ 14,427,600	\$ 14,269,119	\$ 5,840	\$ 1,182,655	\$ 1,182,655	\$ 393,339	\$ 12,023	\$ 1,232,462	\$ 12,325	\$ 735,686	\$ 73,569	\$ 48,958	\$ 47,170		
2027	\$ 73,975,022	\$ 14,427,600	\$ 14,269,119	\$ 5,840	\$ 1,224,250	\$ 1,224,250	\$ 401,206	\$ 12,263	\$ 1,257,111	\$ 12,571	\$ 750,400	\$ 75,040	\$ 49,937	\$ 48,958		
2028	\$ 76,963,613	\$ 15,010,475	\$ 14,851,994	\$ 6,026	\$ 1,170,174	\$ 1,170,174	\$ 409,230	\$ 12,509	\$ 1,282,254	\$ 12,823	\$ 765,408	\$ 76,541	\$ 50,936	\$ 49,937		
2029	\$ 76,963,613	\$ 15,010,475	\$ 14,851,994	\$ 6,026	\$ 1,230,434	\$ 1,230,434	\$ 409,230	\$ 12,509	\$ 1,282,254	\$ 12,823	\$ 765,408	\$ 76,541	\$ 50,936	\$ 49,937		
				\$ 723,057	\$ 12,483,506	\$ 13,206,564						\$ 917,418	\$ 12,730,878			

**19TH TERRACE AND CENTRAL TIF PLAN  
INCREMENT PROJECTIONS  
ASSUMPTIONS**

Inflation/Growth Rates:

Inflation Rate - Real Estate Valuation*	2.0000%
Inflation Rate - Earnings, Sales, Etc.	2.0000%
Inflation Rate - Utilities	2.0000%

\*2.0000% Inflation Rate for Real Estate begins following completion of construction.

Assessed Value Rates:

Commercial Assessed Rate	32.0000%
Residential Assessed Rate	19.0000%

Note: Property is reassessed in odd years.

Property Tax Mill Levies (2005 rates):

Kansas City, MO	1.5055%
Jackson County	0.5375%
Handicap Workshop	0.0766%
Junior College	0.2171%
Kansas City Library	0.4690%
Mental Health	0.1232%
School District	4.9500%
Tax Mill Levy - Disregarding Blind & Replacement Tax	7.8789%
Blind Pension - Not eligible for TIF	0.0300%
Replacement Tax - Not eligible for TIF	1.4370%
Tax Mill Levy - Including Blind & Replacement Tax	9.3459%
Kansas City Parks (Land Value Only)	0.5000%
Kansas City Trafficway (Land Value Only)	0.2500%

Other Tax Rates:

Earnings Tax Rate (as a percent of gross wages):	1.0000%
Utility Tax Rate	10.0000%

		Eligible for TIF
City Sales Tax	2.3750%	2.3375%
County Sales Tax	0.7500%	0.7500%
Total Sales Taxes*		3.0875%

\*Incremental sales taxes are reduced by a 1% State collection fee.

Project 2a PILOTS Assumptions:

1. A portion (approx. 3.9% of the FMV) of Project 2a is Commercial. The remaining portion is residential condominiums.
2. Project Area 2a includes approximately 46.06% of Parcel No. 29-520-09-02-00-0-00-000. The base year fair market value, assessed values and taxes are estimates based upon 46.06% of the total values for the parcel as a whole.
3. Real estate taxes are reduced to reflect a 10-year PIEA abatement on the value of the improvements.

Project 2a EATS Assumptions:

Retail Employees Per Square Foot	1/400
Retail Average Annual Wage	\$18,000
Square Feet of Retail Space	Approx. 2700
Sales Per Square Foot	\$100
Office Employees Per Square Foot	1/250
Office Average Annual Wage	\$30,000
Square Feet of Office Space	Approx. 6000
Square Feet of Residential Space	Approx. 279,870

Assumed Project 12 Total Annual Earnings:\*

Tenant A	\$1,651,000
Tenant B	\$3,750,000
Tenant C	\$750,000

\*Tenant A is projected to occupy space in February 2007 and Tenant B is projected to occupy space in July 2007. The earnings are prorated in 2007 accordingly. Tenant C is projected to occupy space in 2009.

Assumed Utilities: \$1.75/square foot

Base Year:

Project 2a\*

PILOTS	2007
EATS	2006

\*Assumes Project approval in 2007.

Project 12\*

PILOTS	2001
EATS	2000

NOTE: PILOTS and EATS are reduced by a 5% TIF administrative fee.

**19TH TERRACE AND CENTRAL TIF PLAN**  
**INCREMENT PROJECTIONS FOR**  
**PROJECT 12**

	PAYMENTS IN LIEU OF TAXES ("PILOTS")				ECONOMIC ACTIVITY TAXES ("EATS") (50% of Incremental Taxes)				Total Economic Activity Taxes (50% of Incremental Taxes)	Total PILOTS and EATS	Cumulative PILOTS and EATS			
	Real Property FMV	Land Assessed Value	Improvements Assessed Value	Total Assessed Value	RE Tax	Payments in lieu of Taxes	Total Taxes and Pilots Paid	Total Earnings				Incremental Earnings Taxes	Utilities 37,800 Sq. Ft.	Incremental Utilities Taxes
Base		17,280	109,006	126,286	11,811			0				0	0	0
1 (2001)	394,644	17,280	109,006	126,286	11,811	0	11,811	0	0	0	0	0	1,946	1,946
2 (2002)	394,644	17,280	109,006	126,286	11,837	2,048	13,885	0	0	0	0	0	6,306	8,252
3 (2003)	384,000	21,600	101,280	122,880	11,492	6,638	18,395	0	0	0	0	0	0	8,252
4 (2004)	383,700	21,600	101,184	122,784	11,765	0	11,765	0	0	0	0	0	60	8,311
5 (2005)	397,128	22,356	104,725	127,081	11,982	63	12,045	0	0	0	0	0	60	8,371
6 (2006)	397,128	22,356	104,725	127,081	11,982	63	12,045	0	0	0	0	0	60	8,371
7 (2007)	5,500,000	309,617	1,450,383	1,760,000	38,091	128,719	166,810	3,388,417	33,884	66,150	6,615	20,250	141,520	149,891
8 (2008)	5,500,000	309,617	1,450,383	1,760,000	38,091	128,719	166,810	5,434,020	54,340	67,473	6,747	30,544	151,299	301,190
9 (2009)	5,722,200	315,809	1,479,391	1,795,200	38,654	131,492	170,146	6,292,700	62,927	68,822	6,882	34,905	158,077	459,267
10 (2010)	5,722,200	315,809	1,479,391	1,795,200	38,654	131,492	170,146	6,418,554	64,186	70,199	7,020	35,603	158,740	618,007
11 (2011)	5,722,200	328,568	1,539,158	1,867,726	39,814	137,206	177,020	6,546,925	65,469	71,603	7,160	36,315	164,845	782,852
12 (2012)	5,953,377	328,568	1,539,158	1,867,726	39,814	137,206	177,020	6,677,864	66,779	73,035	7,303	37,041	165,535	948,387
13 (2013)	5,953,377	341,842	1,601,340	1,943,182	41,020	143,151	184,172	6,811,421	68,114	74,496	7,450	37,782	171,887	1,120,274
14 (2014)	6,193,893	341,842	1,601,340	1,943,182	41,020	143,151	184,172	6,947,650	69,476	75,986	7,599	38,538	172,605	1,292,878
15 (2015)	6,193,893	355,653	1,666,034	2,021,687	42,275	149,337	191,612	7,086,603	70,866	77,505	7,751	39,308	179,213	1,472,091
16 (2016)	6,444,127	355,653	1,666,034	2,021,687	42,275	149,337	191,612	7,228,335	72,283	79,055	7,906	40,094	179,960	1,652,051
17 (2017)	6,444,127	370,021	1,733,342	2,103,363	43,581	155,772	199,353	7,372,901	73,729	80,636	8,064	40,896	186,835	1,838,886
18 (2018)	6,704,469	370,021	1,733,342	2,103,363	43,581	155,772	199,353	7,520,359	75,204	82,249	8,225	41,714	187,612	2,026,498
19 (2019)	6,704,469	384,970	1,803,369	2,188,339	44,940	162,467	207,407	7,670,767	76,708	83,894	8,389	42,549	194,765	2,221,262
20 (2020)	6,975,330	384,970	1,803,369	2,188,339	44,940	162,467	207,407	7,824,182	78,242	85,572	8,557	43,400	195,573	2,416,836
21 (2021)	6,975,330	400,522	1,876,225	2,276,748	46,354	169,433	215,786	7,980,666	79,807	87,284	8,728	44,268	203,015	2,619,851
22 (2022)	7,257,133	400,522	1,876,225	2,276,748	46,354	169,433	215,786	8,140,279	81,403	89,029	8,903	45,153	203,856	2,823,707
23 (2023)	7,257,133	416,704	1,952,025	2,368,728	47,824	176,680	224,504	8,303,085	83,031	90,810	9,081	46,056	211,599	3,035,306
					<u>788,153</u>	<u>2,531,959</u>	<u>3,329,064</u>	<u>117,644,728</u>	<u>1,176,447</u>	<u>1,323,798</u>	<u>132,380</u>	<u>654,414</u>	<u>3,035,306</u>	

**Amendment No. 9**

**“Revised Construction & Employment Information – Projects 2a and 12”**

## CONSTRUCTION TOTALS BY PROJECT AREA - PROJECT 2a

Please complete the following chart for each Project Area. Reproduce this chart for each Project Area.

Project Area	Approximate Square Feet	Approximate Number of Units	Approximate Number of Jobs	Approximate Number of Jobs	Approximate Number of Jobs	Approximate Number of Jobs
Project Area 1	Approx. 6,000					
Project Area 2	Approx. 2,700					72,500*
Project Area 3						
Project Area 4						
Project Area 5	Approx. 8,700					72,500
Project Area 6						
Project Area 7	Approx. 125 – 145					
Project Area 8						
Project Area 9	Approx. 186					

\* The existing building is located on Project Areas 2a, 2b and 2c. The total amount to be demolished is 72,500 square feet.

## CONSTRUCTION TOTALS BY PROJECT AREA - PROJECT 12

Please complete the following chart for each Project Area. Reproduce this chart for each Project Area.

CONSTRUCTION TOTALS BY PROJECT AREA - PROJECT 12	CONSTRUCTION TOTALS BY PROJECT AREA - PROJECT 12	CONSTRUCTION TOTALS BY PROJECT AREA - PROJECT 12	CONSTRUCTION TOTALS BY PROJECT AREA - PROJECT 12	CONSTRUCTION TOTALS BY PROJECT AREA - PROJECT 12	CONSTRUCTION TOTALS BY PROJECT AREA - PROJECT 12
CONSTRUCTION TOTALS BY PROJECT AREA - PROJECT 12					
CONSTRUCTION TOTALS BY PROJECT AREA - PROJECT 12			36,000		
CONSTRUCTION TOTALS BY PROJECT AREA - PROJECT 12					
CONSTRUCTION TOTALS BY PROJECT AREA - PROJECT 12					
CONSTRUCTION TOTALS BY PROJECT AREA - PROJECT 12			36,000		
CONSTRUCTION TOTALS BY PROJECT AREA - PROJECT 12					
CONSTRUCTION TOTALS BY PROJECT AREA - PROJECT 12					
CONSTRUCTION TOTALS BY PROJECT AREA - PROJECT 12					
CONSTRUCTION TOTALS BY PROJECT AREA - PROJECT 12					

**\*\*Parking for Project 12 will be provided in adjacent Project Areas.**



**Employment Information – PROJECT 2a**

Please provide employment information for each Project Area. Reproduce this chart for each Project Area.

Permanent jobs to be CREATED IN Kansas City	31
Permanent jobs to be RELOCATED TO Kansas City	
Permanent jobs to be RETAINED IN Kansas City	
<b>TOTAL</b>	<b>31</b>
<b>Anticipated Annual Payroll</b>	<b>\$846,000</b>
<b>Estimated number of construction workers to be hired during construction phase</b>	<b>130 - 190</b>

**Employment Information – PROJECT 12**

Please provide employment information for each Project Area. Reproduce this chart for each Project Area.

Permanent jobs to be CREATED IN Kansas City	50*
Permanent jobs to be RELOCATED TO Kansas City	
Permanent jobs to be RETAINED IN Kansas City	51*
<b>TOTAL</b>	
<b>Anticipated Annual Payroll</b>	<b>\$6,151,000*</b>
<b>Estimated number of construction workers to be hired during construction phase</b>	<b>50</b>

\*Permanent jobs will be created/retained over a two-year period.

**Amendment No. 10**

**Exhibit 5**

**New Revised Estimated Redevelopment Project Costs – Projects 2a and 12**

**19th Terrace and Central TIF Plan - Project 2a  
Redevelopment Project Costs**

	Total Costs	Reimbursable Costs by TIF
Acquisition	\$1,350,000	\$0
Construction Costs	\$40,254,724	\$0
Professional & Management Fees	\$3,102,232	\$0
Demolition	\$142,500	\$0
Marketing	\$1,018,999	\$0
Miscellaneous	\$25,000	\$0
Construction Loan Interest	\$2,100,420	\$0
Cost of Carry	\$300,000	\$0
Financing Costs	\$280,000	\$0
Contingency	<u>\$805,094</u>	<u>\$0</u>
<b>TOTAL COSTS</b>	<b>\$49,378,969</b>	<b>\$0</b>

**19th Terrace and Central TIF Plan - Project 12  
Redevelopment Project Costs**

	Total Costs	Reimbursable Costs by TIF
Acquisition	\$1,575,000	\$0
Parking Improvements	\$100,000	\$100,000
Lighting, Streetscape	\$50,000	\$50,000
Engr/ Arch., Prof. Fees	\$125,000	\$85,000
Exterior Rehab; Environ. Rehab	\$200,000	\$200,000
Interior Rehab; Clean-Up	\$2,750,000	\$1,500,000
Broker Commissions	\$530,000	\$0
Construction Period Interest	<u>\$73,000</u>	<u>\$73,000</u>
 Sub-Total	 \$5,403,000	 \$2,008,000
 Interest	 <u>\$3,650,000</u>	 <u>\$2,362,697</u>
 <b>TOTAL COSTS</b>	 <b>\$9,053,000</b>	 <b>\$4,370,697</b>

**Amendment No. 11**

**Exhibit 6**

**New Revised Sources and Uses of Funds**

**REVISED EXHIBIT 6**  
**Project Area 2a**

**A. SOURCE OF FUNDS FOR PROJECT 2a**  
**ESTIMATED REDEVELOPMENT PROJECT COSTS**

1.	Amount of Reimbursable Costs from PILOTS and Operation and Activity Taxes	\$0
2.	Developer	\$49,378,969
	<b>TOTAL</b>	<b>\$49,378,969</b>

**B. BONDS**

The total estimated amount of PILOTS and EATS over twenty-three years to reimburse project costs in this Plan is \$12,730,878. The Commission may dedicate part or all of this amount to help support the issuance of bonds to defray the cost of the projects.

**REVISED EXHIBIT 6**  
**Project Area 12**

**A. SOURCE OF FUNDS FOR PROJECT 12**  
**ESTIMATED REDEVELOPMENT PROJECT COSTS**

1.	Amount of Reimbursable Costs from PILOTS and Operation and Activity Taxes	\$4,370,697
2.	Developer	\$4,682,303
	<b>TOTAL</b>	<b>\$9,053,000</b>

**B. BONDS**

The total estimated amount of PILOTS and EATS over twenty-three years to reimburse project costs in this Plan is \$3,035,306. The Commission may dedicate part or all of this amount to help support the issuance of bonds to defray the cost of the projects.

**Amendment No. 12**

**Exhibit 10**

**December 5, 2006 “But For” Analysis**



**CONSULTING SERVICE**

**19<sup>TH</sup> TERRACE AND CENTRAL TIF PLAN  
THIRD AMENDMENT, PROJECT 12  
KANSAS CITY, MISSOURI 64105**

**PREPARED FOR:**

**ROBERT LONG  
ECONOMIC DEVELOPMENT CORPORATION  
OF KANSAS CITY, MISSOURI  
10 PETTICOAT LANE, SUITE 250  
KANSAS CITY, MISSOURI 64106-2103**

**EFFECTIVE DATE OF THE ASSIGNMENT:**

**DECEMBER 13, 2006**

**INTEGRA REALTY RESOURCES - KANSAS CITY  
FILE NUMBER: 119-2006-0802**



December 7, 2006

Robert Long  
Economic Development Corporation  
Of Kansas City, Missouri  
10 Petticoat Lane, Suite 250  
Kansas City, Missouri 64106-2103

RE: **Consulting Service: Review of TIF Submission**  
19<sup>th</sup> Terrace and Central TIF Plan  
Third Amendment, Project 12  
Kansas City, Missouri 64105  
Integra Realty Resources – Kansas City File No. 119-2006-0802

Dear Mr. Long:

Pursuant to your authorization, I have completed a consulting service relating to the above-captioned redevelopment project. This consulting service has been completed in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP) and the Standards of Professional Practice of the Appraisal Institute. The effective date of my consulting service is December 13, 2006. All pertinent exhibits to this assignment and my qualifications are included in the body of report.

The Third Amendment to the 19<sup>th</sup> Terrace and Central TIF Plan changes the use of Project 2 from commercial to mixed use space with parking. The amendment also divides Project 2 into three components, A, B and C. However, the Applicant is not now requesting TIF reimbursement from Project 2 as such there is no need for financial analysis of Project 2. The third change in the amendment is that the size of Project 12 is being changed to 34,600 square feet and the use is being changed from residential condominium to commercial use. The Applicant is requesting TIF reimbursement on Project 12 totaling \$2,008,000 plus some permanent loan interest on the reimbursable costs.

The Applicant is Broadway Development, LLC, related to AF Real Estate Holdings, LLC as the original developer in the TIF Plan and DST Realty, the developer of numerous TIF Projects in the Central Business District and Crossroads District. The Applicant forecasts TIF revenues to Project 12 over the 17 years remaining for the TIF Plan to total, cumulatively, \$3,035,305

IRR.

Robert Long Economic Development Corporation  
Of Kansas City, Missouri  
December 7, 2006  
Page 2

My financial analysis in the following pages will demonstrate that certainly by the measure typically employed for private development, the project does not generate adequate cash flow. As such, a private redeveloper would not consider the project. The analysis shows that these benefits described herein are necessary to recoup the reimbursable costs and provide reasonable cash flow for debt service. My analysis demonstrates that but for the non-realty benefits of PILOTS and EATS accruing to the project this redevelopment would not likely occur.

I estimate the internal rate of return (IRR) to Project 12, without TIF, to be 3.99% and with TIF to be 8.31%. With TIF, the IRR approaches a market level return which I expect to fall in the 8.00% to 10.00%, with 8.00% reserved for Class A projects having achieved stabilized occupancy. Thus, I conclude that Project 12 of this 3<sup>rd</sup> Amendment meets the but for test.

Given the unique nature of the entire Redevelopment Plan, I state on Page 5 several specific assumptions and limiting conditions under which my conclusions herein have been reached.

If you have any questions or comments regarding our analysis or this report, please contact the undersigned. Thanking you for the opportunity to be of service, I remain,

Very truly yours,

**INTEGRA REALTY RESOURCES – KANSAS CITY**



Kenneth Jagers, MAI  
Managing Director  
Certified General Real Estate Appraiser  
Missouri Certificate #RA 003190

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**ADDENDA**

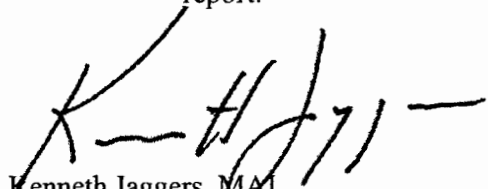
Qualifications of Appraiser(s) .....	Addendum A
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## CERTIFICATION

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. This analysis has been conducted on an arms-length basis subject to the Standards of Professional Practice (USPAP) and the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute.
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 result 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. The context of the consulting service and the scope of the assignment do not require an inspection of the improvements currently existing on the subject site. Kenneth Jagers has personally inspected the redevelopment area on several occasions over the past year, most recently on October 31, 2006

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



Kenneth Jagers, MAI  
Certified General Real Estate Appraiser  
Missouri Certificate #RA 003190

## ASSUMPTIONS AND LIMITING CONDITIONS

This consulting report is subject to the following general assumptions and limiting conditions:

1. Title to the property is assumed to be good and marketable and the legal description correct.
2. No responsibility for legal matters is assumed. All existing liens, mortgages or other encumbrances have been disregarded and the property is appraised as though free and clear, under responsible ownership and competent management.
3. All sketches in this report are intended to be visual aids and should not be construed as surveys or engineering reports.
4. All information in this report has been obtained from reliable sources. I cannot, however, guarantee or be responsible for the accuracy of information furnished by others.
5. This opinion of value applies to land and improvements only. The value of trade fixtures, furnishings and other equipment has not been included with the value of the real estate.
6. Possession of this report or a copy thereof does not imply the right of publication or use for any purpose by any other than the addressee without the written consent of we.
7. I am not required to give testimony or attendance in court by reason of this appraisal, unless prior agreements have been made in writing.
8. The distribution of the total valuation in this report between land and improvements applies only to the existing utilization. The separate valuations for land and building must not be used in conjunction with any other appraisal and are invalid if so used.
9. The land, and particularly the soil, of the area under appraisement appears firm and solid. Subsidence in the area is unknown or uncommon, but I do not warrant against this condition or occurrence.
10. Subsurface rights (minerals and oil) were not considered in making this appraisal.
11. I did not inspect the building involved in this assignment and damage, if any, by termites, dry rot or other infestations was reported as a matter of information and no guarantee of the amount or degree of damage, if any, is implied.

12. The market data relied upon in this assignment is believed to be from reliable sources; however, it was not possible to inspect the comparables completely, and it was necessary to rely on information furnished by others as to said data, therefore, the cash flow and yield conclusions are subject to the correctness and verification of said data.
13. Neither all nor any part of the contents of this report shall be conveyed to the public through advertising, public relations, news, sales or other media, without the written consent and approval of the authors, particularly as to valuation conclusions, the identity of me or this firm with which they are connected or any reference to the Appraisal Institute.
14. Unless otherwise stated in this report, the existence of hazardous substances, including without limitation, asbestos, polychlorinated biphenyls, petroleum leakage, or agricultural chemicals, which may or may not be present on the property, or other environmental conditions, were not called to the attention of nor did I become aware of such during inspection. I have no knowledge of the existence of such materials on or in the property unless otherwise stated. We, however, are not qualified to test such substances or conditions. If the presence of such substances, such as asbestos, urea formaldehyde, foam insulation or other hazardous substances or environmental conditions, may affect the value of the property, the value estimated is predicated on the assumption that there is no such condition on or in the property or in such proximity thereto that it would cause a loss in value. No responsibility is assumed for any such conditions, nor for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in the field of environmental impacts upon real estate if so desired.
15. I am not considered expert with regard to compliance with the Americans with Disabilities Act (ADA) of 1991. Unless otherwise stated, no responsibility is assumed for any non-compliance with the provision of the ADA. The client is urged to retain an expert in the field of ADA assessment impacts upon real estate if so desired. As the improvements will be new construction, I presume them to be ADA compliant upon completion.



### SPECIAL ASSUMPTIONS AND LIMITING CONDITIONS

The following extraordinary assumptions and hypothetical conditions have been specifically established for this consulting report:

1. It is assumed that any reader of this consulting report is familiar with the Applicant's TIF submission and the project.
2. The information provided for this assignment was dated October 6, or October 12, 2006. I have not considered any financial information regarding this project other than that provided. Should additional or contradictory information become available, this analysis may require revision.
3. Development of my estimate of IRR for this project involves an extraordinary assumption. The use of an extraordinary assumption imposes additional reporting requirements to insure a report user clearly understands that: a) the project as described in this report is assumed to be completed in a timely and workmanlike manner as described by the Applicant; b) the analyses performed to report the anticipated IRR is based on an expectation, specifically, that the project is assumed to have certain occupancy and income potential; and c) the appraisal does not address unforeseeable events that alter the property improvements and/or the market conditions reflected in the analyses.

**GENERAL INFORMATION**

**PURPOSE AND EFFECTIVE DATE**

The purpose of the consultation is report to the client the reasonableness of the Applicant's request for Tax Increment Financing and to develop and report my opinion of the Applicant's internal rate of return, applying the "but for" test to the Project. The effective date of this consultation is December 13, 2006. Unless otherwise stated, all factors pertinent to a determination of value have been considered as of this date.

**INTENDED USE AND INTENDED USER**

This report has been prepared for the Economic Development Corporation of Kansas City Missouri for use in the client's consideration of the aforementioned redevelopment project.

**SCOPE OF APPRAISAL**

As part of this consulting assignment, I have taken the following steps to gather, confirm, and analyze relevant data.

- Although a physical inspection of the property is not a requirement of this type of report, I have, on several occasions inspected the subject property from the street and the surrounding neighborhood. My most recent inspection was on October 31, 2006.
- Collected factual information about the redevelopment area and reviewed the Applicant's submission.
- Collected, confirmed and analyzed market information.
- Prepared a consulting report setting forth the conclusions developed in this analysis as well as the information upon which the conclusions are based.

This is a consulting assignment reported in a summary report that conforms to the requirements of the Uniform Standards of Professional Appraisal Practice (USPAP), the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.

## REVIEW OF THE APPLICANT'S ANALYSIS

The first step in performing my duties as outlined in the scope of services above is to review the Plan submitted by the Applicant and comment on its relation to the Commission's objectives as outlined to me.

In my opinion, Project 12 of the 19<sup>th</sup> Terrace and Central TIF Plan does 1) eliminate adverse conditions detrimental to public health, 2) enhance the tax base and encourage private development, 3) increase employment opportunities, and 4) stimulate development which will not occur without the Tax Increment Financing assistance.

In keeping with my scope of services I have completed a financial analysis on the Third Amendment of the 19<sup>th</sup> Terrace and Central TIF Plan. I have reviewed the project cost estimates and the applicant's operating projections. I have retained all aspects of the applicant's forecast that are market-supported and reasonable. If necessary, I have amended or supplemented unreasonable assumptions with reasonable, market-oriented assumptions. The following is a summary of my analysis:

### PROJECT COST DETAIL

The Applicant sites acquisition costs of the property of \$1,575,000 or \$43 per rentable square foot. This is appropriate for a building shell in this location. Additional hard costs for the redevelopment include the interior rehab and clean-up of \$75 per square foot. With other soft costs, the redevelopment budget is \$148 per square foot which is reasonable based on other projects I have reviewed. This does not include any permanent financing interest costs.

### OPERATING PROFORMA

I have reconstructed the Applicant's operating proforma and include my analysis following page. I include in this the sale of the property at the end of the anticipated holding period. The reversion reflects the market sale of the project at the end of the holding period, be that the full term of the TIF or something less. I adjust for anticipated selling costs to achieve a net reversion price and also the present value of the *remaining* TIF reimbursements. I have relied significantly on the Applicant's cash flow assumptions as they generally reflect market. I have adjusted their cash flow to include tenant improvements and leasing commissions upon speculative renewal, expense recovery income over a base year stop as is typical of full service leases, and I have also identified a single market rent for the entire building of \$18.00 per square foot, full service. Mid-term lease increases are also included. Ultimately, there is minimal difference between the Applicant's cash flow and my projections.

**19<sup>TH</sup> TERRACE AND CENTRAL TIF PLAN**

	Year 0	1	2	3	4	5	6	7	8	9	10
Potential Rental Income	\$693,000	\$694,134	\$695,302	\$696,505	\$697,744	\$797,301	\$798,615	\$799,969	\$801,364		\$802,800
Vacancy	-\$346,500	-\$173,534	-\$69,530	-\$69,774	-\$69,730	-\$79,862	-\$79,997	-\$80,136			-\$80,280
Expense Recovery	\$0	\$7,533	\$19,016	\$22,822	\$29,804	\$0	\$7,282	\$11,566	\$19,164		\$23,708
Effective Gross Income	\$346,500	\$528,133	\$644,788	\$649,677	\$657,774	\$717,571	\$726,036	\$731,538	\$740,392		\$746,229
Operating Expenses											
Real Estate Taxes	\$166,810	\$166,810	\$170,146	\$170,146	\$173,549	\$173,549	\$177,020	\$177,020	\$180,560		\$180,560
Utilities	\$66,150	\$68,135	\$70,179	\$72,284	\$74,452	\$76,686	\$78,987	\$81,356	\$83,797		\$86,311
Insurance	\$7,280	\$7,498	\$7,723	\$7,955	\$8,194	\$8,440	\$8,693	\$8,953	\$9,222		\$9,499
Janitorial	\$36,400	\$37,492	\$38,617	\$39,775	\$40,969	\$42,198	\$43,464	\$44,767	\$46,110		\$47,494
Grounds	\$18,200	\$18,746	\$19,308	\$19,888	\$20,484	\$21,099	\$21,732	\$22,384	\$23,055		\$23,747
G&A	\$3,640	\$3,749	\$3,862	\$3,978	\$4,097	\$4,220	\$4,346	\$4,477	\$4,611		\$4,749
Management	\$12,128	\$18,221	\$21,902	\$21,979	\$25,115	\$25,115	\$25,156	\$25,199	\$25,243		\$25,288
Total Expenses	\$310,608	\$320,651	\$331,737	\$335,965	\$343,724	\$351,306	\$359,397	\$364,156	\$372,599		\$377,648
Net Operating Income	\$35,893	\$207,482	\$313,051	\$313,711	\$314,051	\$366,265	\$366,639	\$367,382	\$367,793		\$368,581
Reserves, TI's Leasing	-\$3,640	-\$3,749	-\$3,862	-\$3,978	-\$4,097	-\$4,220	-\$4,346	-\$4,477	-\$4,611		-\$591,001
TIF Revenues	\$141,520	\$151,299	\$158,077	\$158,740	\$164,845	\$165,535	\$171,887	\$172,605	\$179,213		\$179,960
Redevelopment Cost											
Reversion											\$6,119,788
Net Cash Flow	-\$5,403,000	\$173,773	\$355,032	\$467,267	\$468,474	\$474,799	\$527,580	\$534,180	\$535,510	\$542,395	\$6,077,328
All Cash IRR with TIF											
Reversion No - TIF											\$5,021,657
Net Cash Flow - No TIF	-\$5,403,000	\$32,253	\$203,733	\$309,190	\$309,734	\$309,954	\$362,045	\$362,293	\$362,905	\$363,182	\$4,892,405
All Cash IRR without TIF											
											3.99%

### TAX INCREMENTS/OTHER NON-REALTY BENEFITS

A summary of the Applicant's forecast of TIF revenue expectations has been provided to you as Exhibit K to the Application for the Third Amendment. The Applicant's forecast required no revision and the annual TIF reimbursement is shown as a separate line item in the cash flow on the preceding page. The total forecast reimbursement available for the remainder of the TIF Plan's eligibility is \$3,035,305.

### TESTS OF REASONABLENESS

#### YIELD MEASUREMENT (METHODOLOGY)

Often, the best measure of yield in my opinion is the "internal rate of return", which takes into account both the annual income derived as cash flow as well as the potential return from a hypothetical sale of the land and building improvements at the end of the forecast period. Definitions from the third edition of *The Dictionary of Real Estate Appraisal* are included below:

**Yield:** A rate of return on capital, usually expressed as a compound annual percentage rate. A yield rate considers all expected property benefits including the proceeds from sale at the termination of the investment. Yield rates include the interest rate, discount rate, internal rate of return (IRR), overall yield rate (Y sub o) and equity yield rate.

**Overall Yield Rate:** The rate of return on the total capital invested, including both debt and equity. The overall yield takes into consideration changes in the net income over the investment period and net reversion at the end of the holding period; it is applied to cash flow before debt service.

**Internal rate of return (IRR):** The annualized yield rate or rate of return on capital that is generated or capable of being generated within an investment or portfolio over a period of ownership. The IRR discounts all returns from the investment, including returns from its termination, to equal the original capital outlay.

In the "but for" analysis I determine the subject's IRR, that rate of discount that makes all returns from the investment, including its termination, equal to the original capital outlay. I then measure that IRR against the overall yield rate from the market. The overall yield rate is the rate of return used by buyers to determine the present worth or purchase price of an investment. The overall yield includes consideration of the cost and availability of permanent financing. Whether determining overall yield or internal rate of return, the entire project costs are used.

Definitions necessary to segregate between the overall yield and the equity yield are shown below:

**Equity:** 1) Equity investors assume greater risk and their earnings are subordinate to operating expenses and debt service. 2) Equity refers to the net value of the property by subtracting from its total value all liens or other charges against it; the owner's interest in property in excess of all claims and liens. Total project costs less financing equals equity.

**Equity Yield Rate:** A rate of return on equity capital as distinguished from the rate of return on debt capital (the interest rate or mortgage constant); the equity investor's internal rate of return. The equity yield considers the effect of debt financing on the cash flow to the equity investor.

**Cash on Cash:** The ratio of annual equity income to the equity investment. The cash on cash is a capitalization rate that presumes a stable cash flow and reflects a single year's pre-tax cash flow as a percentage of the equity in a project.

**Mortgage Constant:** The capitalization rate for debt; the ratio of the annual debt service to the principal amount of the mortgage loan. This rate includes principle and interest.

**Loan to Value Ratio:** The ratio between a mortgage loan and the property pledged as security; usually expressed as a percentage. For EDC projects this is determined based on the loan as a percentage of total development costs.

## CONCLUSION

In the all cash analyses I determined yield to the owner with and without the PILOTS and EATS as described herein. The internal rates of return are stated below. I base the IRR on a holding period of ten years after completion. This is typical of office investors and the basis on which market yield indicators are generated. Finally, the construction costs are taken from budgets provided and incurred over the next year. The reversion is the Year 11 NOI capitalized at 8.5% with the appropriate deductions for cost of sales.

The project's IRR without TIF is 3.99% which falls far short of the return of 8.0% to 10.0% which the market would expect. With TIF, the project yields 8.31% which is at the low end of the range necessary to attract market participants. I find the Third Amendment to the 19<sup>th</sup> Terrace and Central TIF Plan does meet the "but for" test.

**ADDENDUM A**  
**ANALYST'S QUALIFICATIONS**

**PROFESSIONAL QUALIFICATIONS  
 KENNETH JAGGERS, MAI**

<b>EXPERIENCE:</b>	<p>Mr. Jagers, Managing Director, has been with Integra Realty Resources – Kansas City, since May 1993. He started his career in commercial real estate in 1987 as an investment officer with a subsidiary of Metropolitan Life in Overland Park, Kansas then in the Washington D.C., and Boston, Massachusetts's offices. In 1991, Mr. Jagers joined BankBoston and served as a review and field appraiser for two years. Duties included quality control over two acquired banks in Maine and Vermont.</p> <p>In 1993 Mr. Jagers returned to Kansas City as a Senior Analyst for Integra Realty Resources – Kansas City. Since that time he has completed appraisals on commercial properties of all types, primarily for institutional investors and litigation support. Significant appraisal assignments in 2003 and 2004 include the 1,140,000 SF IRS Processing facility and 2345 Grand Avenue in Kansas City's Crown Center, Sprint's former corporate headquarters in Shawnee Mission, Kansas, and the Black &amp; Veatch headquarters in Overland Park, Kansas. Mr. Jagers completed major eminent domain assignments in 2004. He appraised a total of 53 Kansas City CBD tracts for acquisition of sites for the H&amp;R Block/Kansas City Live project and for the Sprint Arena Project. He also completed an appraisal assignment totaling 57 industrial properties in the Kansas City area in 2003 and 2004. In 2005, Mr. Jagers managed a 36 property industrial portfolio for a major investment bank. The properties were located from Arizona to New Jersey and totaled 6.2 million square feet.</p>
<b>LITIGATION EXPERIENCE:</b>	<p>Mr. Jagers has performed appraisal services and/or provided expert trial or deposition testimony in many legal proceedings, including the following: State of Kansas vs. Westgate, LC 04 C 214, Moore v. United States No. 93-134 L, Ilig v. United States 98-934L, Randolph and Kelly Akers v. City of Oak Grove, MO 02CV233809, Colliers v. City of Oak Grove, MO 03CV2223403, NT Realty v. APW CV 1986 749CC, Gailloyd Enterprises v Centertainment 98-CV-5115, Allen v. Zuvers et al 00CV218291.</p>
<b>EXPERIENCE WITH MUNICIPALITIES/ ADMINISTRATIVE BODIES:</b>	<p>Mr. Jagers has provided expert testimony to a number of taxing authorities, city councils, boards of planning and zoning, commissioners' hearings, and bodies providing public finance (TIF and Tax Abatement). His expertise is sought by the administrative bodies and by the private developers. Major projects include the 597 acre proposed Parvin Road Corridor TIF Plan for Hunt Midwest in Clay County; the Performing Arts District and Kansas City Public Library Central Library Projects, both in Kansas City, Missouri.</p>
<b>PROFESSIONAL ACTIVITIES:</b>	<p>Member of the Appraisal Institute 2004, Director Kansas City Chapter Westwood City Planning Commission</p>
<b>STATE LICENSES:</b>	<p>State of Iowa Certified General Real Property Appraiser (CG02446)          State of Kansas Certified General Real Property Appraiser (G-969)          State of Missouri Certified General Real Estate Appraiser (RA 003190)          State of Nebraska Certified General Real Estate Appraiser (CG970204)</p>
<b>EDUCATION:</b>	<p>Bachelor of Arts (1983) Chadron State College, Chadron, Nebraska          Economics and Marketing, Minor in Business Administration</p>
<b>APPRAISAL TRAINING:</b>	<p>Mr. Jagers has successfully completed numerous Appraisal Institute courses and attended seminars in keeping current, the educational and professional work product requirements of the Appraisal Institute and states in which he is licensed.          Completed 3<sup>rd</sup> Party Multifamily Accelerated Processing (MAP), September 18, 2002.</p>

October 20, 2006




# State of Missouri

Department of Economic Development  
Division of Professional Registration  
Real Estate Appraisers Commission  
Real Estate Appraiser

State Certified General

VALID THROUGH JUNE 30, 2008  
ORIGINAL CERTIFICATE/LICENSE NO. RA003190

KENNETH JAGGERS  
INTEGRA NUNNINK & ASSOCIATES  
1901 WEST 47TH PLACE  
WESTWOOD KS 66205  
USA

  
*Krista Klement*  
EXECUTIVE DIRECTOR

*Allison Craighead*  
DIVISION DIRECTOR



Date: December 6, 2006

To: Taxing Bodies Represented on the TIF Commission

Subject: 19th Terrace & Central Tax Increment Financing Plan – Third  
Amendment  
Cost – Benefit Analysis

Please find enclosed a Cost – Benefit Analysis regarding the proposed Third Amendment of the 19th Terrace & Central Tax Increment Financing Plan. You are invited to attend a meeting at 3:30 p.m., Monday, December 11<sup>th</sup> in the TIF Commission's office here at the EDC to discuss the Cost – Benefit Analysis.

The Tax Increment Financing Commission of Kansas City, Missouri shall hold a 10:45 a.m., Wednesday, December 13<sup>th</sup> public hearing for the purpose of considering the Third Amendment of the 19th Terrace & Central Tax Increment Financing Plan.

Should you have any questions prior to the December 11<sup>th</sup> meeting, please contact me at (816) 221-2104 or by e-mail at [rlong@edckc.com](mailto:rlong@edckc.com).

Sincerely,

Bob Long  
Development Services Officer

Summary of Costs and Benefits  
Analysis  
12/04/06

Construction Period		Operating Period												
		2007 Year 1	2008 Year 2	2009 Year 3	2010 Year 4	2011 Year 5	2012 Year 6	2013 Year 7	2014 Year 8	2015 Year 9	2016 Year 10	2017 Year 11	2018 Year 12	2019 Year 13
I. Kansas City Impacts														
Total Economic Benefits	\$1,830,917	\$22,525,178												
Construction														
Operations		\$2,568,141	\$3,628,288	\$4,483,631	\$4,591,798	\$4,705,956	\$4,819,670	\$5,139,021	\$5,061,967	\$5,187,959	\$5,313,275	\$5,445,686	\$5,776,806	
Offsite Employee Effects		\$391,257	\$411,679	\$698,102	\$719,070	\$736,974	\$755,323	\$774,129	\$793,404	\$813,159	\$833,406	\$854,158	\$875,427	
Secondary Effects		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Visitor Impacts		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Total Economic Benefits	\$1,830,917	\$22,979,820	\$4,178,104	\$5,181,733	\$5,310,868	\$5,442,930	\$5,574,993	\$5,913,150	\$5,855,371	\$6,001,118	\$6,146,681	\$6,299,844	\$6,652,233	
Total Public Revenues														
Construction	\$35,465	\$451,595												
Operations		\$191,445	\$50,699	\$71,847	\$236,705	\$239,522	\$245,707	\$248,756	\$261,381	\$268,227	\$271,426	\$278,678	\$286,932	
Offsite Employee Effects		\$8,937	\$19,801	\$23,175	\$30,206	\$34,477	\$35,265	\$36,072	\$37,741	\$38,604	\$39,488	\$40,391	\$41,316	
Secondary Effects														
Visitor Impacts		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Total Public Revenues	\$35,465	\$451,595	\$95,022	\$266,910	\$273,999	\$280,972	\$284,828	\$296,995	\$299,122	\$306,831	\$310,914	\$319,070	\$328,248	
Total Public Costs														
Construction	\$6,748	\$82,957												
Operations		\$43,994	\$57,575	\$76,907	\$246,542	\$249,987	\$256,874	\$260,472	\$271,414	\$278,907	\$282,833	\$290,649	\$294,750	
Offsite Employee Effects		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Secondary Effects		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Visitor Impacts		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Total Public Costs	\$6,748	\$82,957	\$76,907	\$246,542	\$249,987	\$256,874	\$260,472	\$267,656	\$271,414	\$278,907	\$282,833	\$290,649	\$294,750	
NET ECONOMIC BENEFITS														
vs. PUBLIC COSTS	\$1,824,170	\$22,442,221	\$4,101,197	\$4,935,191	\$5,060,881	\$5,186,056	\$5,314,521	\$5,645,494	\$5,583,957	\$5,722,211	\$5,863,848	\$6,009,196	\$6,357,482	
NET PUBLIC REVENUES														
vs. PUBLIC COSTS	\$28,717	\$368,638	\$156,388	\$20,368	\$24,012	\$24,098	\$24,355	\$29,339	\$27,708	\$27,924	\$28,081	\$28,421	\$33,498	

Summary of Costs and Benefits  
Analysis  
12/04/06

	2020 Year 14	2021 Year 15	2022 Year 16	2023 Year 17	2024 Year 18	2025 Year 19	2026 Year 20	2027 Year 21	2028 Year 22	2029 Year 23	Total
<b>I. Kansas City Impacts</b>											
<b>Total Economic Benefits</b>											
Construction	\$5,719,500	\$5,857,874	\$6,003,744	\$6,149,202	\$6,501,895	\$6,458,478	\$6,619,462	\$6,779,793	\$6,948,969	\$7,117,777	\$24,356,095
Offsite Employee Effects	\$897,226	\$919,567	\$942,466	\$965,935	\$989,989	\$1,014,642	\$1,039,910	\$1,065,807	\$1,092,350	\$1,119,553	\$123,527,159
Secondary Effects	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$19,253,349
Visitor Impacts	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Economic Benefits</b>	<b>\$6,616,726</b>	<b>\$6,777,442</b>	<b>\$6,946,210</b>	<b>\$7,115,137</b>	<b>\$7,491,884</b>	<b>\$7,473,120</b>	<b>\$7,659,372</b>	<b>\$7,845,600</b>	<b>\$8,041,318</b>	<b>\$8,237,331</b>	<b>\$167,136,603</b>
<b>Total Public Revenues</b>											
Construction	\$292,736	\$296,355	\$304,111	\$308,012	\$321,033	\$323,498	\$332,072	\$336,191	\$345,261	\$349,970	\$487,060
Offsite Employee Effects	\$42,262	\$43,230	\$44,220	\$45,233	\$46,269	\$47,329	\$48,414	\$49,524	\$50,659	\$51,821	\$6,120,665
Secondary Effects	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$891,330
Visitor Impacts	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Public Revenues</b>	<b>\$334,998</b>	<b>\$339,585</b>	<b>\$348,331</b>	<b>\$353,245</b>	<b>\$367,302</b>	<b>\$370,828</b>	<b>\$380,486</b>	<b>\$385,715</b>	<b>\$395,920</b>	<b>\$401,791</b>	<b>\$7,499,054</b>
<b>Total Public Costs</b>											
Construction	\$302,904	\$307,189	\$315,695	\$320,174	\$329,047	\$333,727	\$342,986	\$347,877	\$357,537	\$362,649	\$89,704
Offsite Employee Effects	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$6,198,345
Secondary Effects	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Visitor Impacts	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Public Costs</b>	<b>\$302,904</b>	<b>\$307,189</b>	<b>\$315,695</b>	<b>\$320,174</b>	<b>\$329,047</b>	<b>\$333,727</b>	<b>\$342,986</b>	<b>\$347,877</b>	<b>\$357,537</b>	<b>\$362,649</b>	<b>\$6,288,049</b>
<b>NET ECONOMIC BENEFITS</b>	<b>\$6,313,822</b>	<b>\$6,470,252</b>	<b>\$6,630,515</b>	<b>\$6,794,963</b>	<b>\$7,162,837</b>	<b>\$7,139,392</b>	<b>\$7,316,387</b>	<b>\$7,497,723</b>	<b>\$7,683,782</b>	<b>\$7,874,681</b>	<b>\$160,848,554</b>
<b>NET PUBLIC REVENUES</b>	<b>\$32,094</b>	<b>\$32,396</b>	<b>\$32,636</b>	<b>\$33,071</b>	<b>\$38,255</b>	<b>\$37,100</b>	<b>\$37,500</b>	<b>\$37,838</b>	<b>\$38,383</b>	<b>\$39,142</b>	<b>\$1,211,006</b>

Summary of Costs and Benefits  
Analysis  
12/04/06

	Construction Period			Operating Period												
	Single Year	Additional Years	2007 Year 1	2008 Year 2	2009 Year 3	2010 Year 4	2011 Year 5	2012 Year 6	2013 Year 7	2014 Year 8	2015 Year 9	2016 Year 10	2017 Year 11	2018 Year 12	2019 Year 13	
<b>IV. Jackson County Impacts</b>																
<b>Total Economic Benefits</b>																
Construction	\$1,727,593	\$21,250,254														
Operations			\$2,580,228	\$2,533,563	\$3,778,982	\$4,383,836	\$4,490,275	\$4,601,848	\$4,713,724	\$5,229,457	\$4,950,665	\$5,073,795	\$5,197,120	\$5,326,509	\$5,854,624	
Offsite Employee Effects			\$502,839	\$518,435	\$695,742	\$882,706	\$905,797	\$928,420	\$951,609	\$975,377	\$999,738	\$1,024,708	\$1,050,302	\$1,076,535	\$1,103,424	
Secondary Impacts																
Visitor Impacts			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
<b>Total Economic Benefits</b>	\$1,727,593	\$21,250,254	\$3,083,067	\$3,051,998	\$4,474,724	\$5,266,542	\$5,396,072	\$5,530,268	\$5,665,333	\$6,204,834	\$5,950,403	\$6,098,504	\$6,247,422	\$6,403,044	\$6,958,048	
<b>Total Public Revenues</b>																
Construction	\$6,567	\$91,680														
Operations			\$119,182	\$11,852	\$17,472	\$132,551	\$133,596	\$137,148	\$138,313	\$145,235	\$145,488	\$149,424	\$150,584	\$154,764	\$159,209	
Offsite Employee Effects			\$3,743	\$6,862	\$8,245	\$10,808	\$12,102	\$12,383	\$12,670	\$12,965	\$13,266	\$13,574	\$13,890	\$14,212	\$14,543	
Secondary Impacts																
Visitor Impacts			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
<b>Total Public Revenues</b>	\$6,567	\$91,680	\$122,925	\$18,713	\$25,717	\$143,359	\$145,697	\$149,531	\$150,983	\$158,200	\$158,754	\$162,998	\$164,473	\$168,977	\$173,752	
<b>Total Public Costs</b>																
Construction	\$2,807	\$34,512														
Operations			\$6,135	\$15,879	\$20,100	\$137,834	\$139,382	\$143,498	\$145,111	\$149,398	\$151,079	\$155,544	\$157,296	\$161,947	\$163,772	
Offsite Employee Effects			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Secondary Impacts																
Visitor Impacts																
<b>Total Public Costs</b>	\$2,807	\$34,512	\$6,135	\$15,879	\$20,100	\$137,834	\$139,382	\$143,498	\$145,111	\$149,398	\$151,079	\$155,544	\$157,296	\$161,947	\$163,772	
<b>NET ECONOMIC BENEFITS vs. PUBLIC COSTS</b>	\$1,724,785	\$21,215,742	\$3,076,932	\$3,036,119	\$4,454,624	\$5,128,708	\$5,256,690	\$5,386,770	\$5,520,222	\$6,055,436	\$5,799,324	\$5,942,959	\$6,090,126	\$6,241,098	\$6,794,276	
<b>NET PUBLIC REVENUES vs. PUBLIC COSTS</b>	\$3,759	\$57,168	\$116,791	\$2,835	\$5,616	\$5,525	\$6,315	\$6,033	\$5,872	\$8,802	\$7,675	\$7,454	\$7,178	\$7,030	\$9,980	

	2020 Year 14	2021 Year 15	2022 Year 16	2023 Year 17	2024 Year 18	2025 Year 19	2026 Year 20	2027 Year 21	2028 Year 22	2029 Year 23	Total
<b>IV. Jackson County Impacts</b>											
<b>Total Economic Benefits</b>											
Construction											
Operations	\$5,594,310	\$5,730,462	\$5,873,052	\$6,016,149	\$6,564,490	\$6,318,715	\$6,476,073	\$6,633,839	\$6,799,188	\$6,965,207	\$22,977,847
Offsite Employee Effects	\$1,130,984	\$1,159,233	\$1,188,187	\$1,217,865	\$1,248,284	\$1,279,463	\$1,311,420	\$1,344,177	\$1,377,751	\$1,412,164	\$121,686,112
Secondary Effects											\$24,285,161
Visitor Impacts	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Economic Benefits</b>	\$6,725,294	\$6,889,694	\$7,061,240	\$7,234,014	\$7,812,774	\$7,598,177	\$7,787,494	\$7,978,016	\$8,176,939	\$8,377,371	\$168,949,120
<b>Total Public Revenues</b>											
Construction											
Operations	\$162,710	\$164,056	\$168,482	\$169,970	\$177,831	\$178,641	\$183,535	\$185,036	\$190,224	\$192,090	\$98,247
Offsite Employee Effects	\$14,881	\$15,227	\$15,581	\$15,944	\$16,315	\$16,694	\$17,083	\$17,481	\$17,888	\$18,304	\$3,367,393
Secondary Effects											\$314,659
Visitor Impacts	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Public Revenues</b>	\$177,591	\$179,283	\$184,063	\$185,914	\$194,146	\$195,335	\$200,618	\$202,517	\$208,112	\$210,394	\$3,780,298
<b>Total Public Costs</b>											
Construction											
Operations	\$168,617	\$170,519	\$175,566	\$177,548	\$182,805	\$184,871	\$190,348	\$192,501	\$198,207	\$200,451	\$37,320
Offsite Employee Effects	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,388,406
Secondary Effects											\$0
Visitor Impacts											
<b>Total Public Costs</b>	\$168,617	\$170,519	\$175,566	\$177,548	\$182,805	\$184,871	\$190,348	\$192,501	\$198,207	\$200,451	\$3,425,726
<b>NET ECONOMIC BENEFITS</b>											
vs. PUBLIC COSTS	\$6,556,677	\$6,719,176	\$6,885,674	\$7,056,466	\$7,629,969	\$7,413,306	\$7,597,146	\$7,785,515	\$7,978,732	\$8,176,921	\$165,523,394
<b>NET PUBLIC REVENUES</b>											
vs. PUBLIC COSTS	\$8,974	\$8,764	\$8,497	\$8,366	\$11,340	\$10,464	\$10,270	\$10,016	\$9,905	\$9,943	\$354,572

Summary of Costs and Benefits  
Analysis  
12/04/06

Construction Single Year	Construction Period										Operating Period			
	2007 Year 1	2008 Year 2	2009 Year 3	2010 Year 4	2011 Year 5	2012 Year 6	2013 Year 7	2014 Year 8	2015 Year 9	2016 Year 10	2017 Year 11	2018 Year 12	2019 Year 13	
<b>VII. School District Impacts</b>														
Total Public Revenues	\$0	\$56,658												
Construction	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Operations	\$613,407	\$58,010	\$58,617	\$655,497	\$660,057	\$677,569	\$682,702	\$702,256	\$717,957	\$737,348	\$742,346	\$762,944	\$769,536	
Offsite Employee Effects	\$0	\$1,011	\$1,033	\$1,054	\$1,632	\$1,666	\$1,701	\$1,737	\$1,773	\$1,811	\$1,849	\$1,888	\$1,927	
State Revenue per Pupil	\$4,392	\$4,392	\$4,392	\$8,784	\$8,784	\$8,784	\$8,784	\$8,784	\$8,784	\$8,784	\$8,784	\$8,784	\$8,784	
Total Public Revenues	\$617,799	\$63,414	\$64,041	\$665,335	\$670,473	\$688,019	\$693,187	\$712,777	\$728,515	\$747,943	\$752,978	\$773,616	\$780,247	
<b>Total Public Costs</b>														
Construction	---	---	---	---	---	---	---	---	---	---	---	---	---	
Operations	\$0	\$50,086	\$50,692	\$637,745	\$644,495	\$664,499	\$671,528	\$692,361	\$699,681	\$721,378	\$729,001	\$751,597	\$759,536	
Offsite Employee Effects	\$5,009	\$5,009	\$5,009	\$10,018	\$10,018	\$10,018	\$10,018	\$10,018	\$10,018	\$10,018	\$10,018	\$10,018	\$10,018	
State Cost per Pupil	\$4,392	\$4,392	\$4,392	\$8,784	\$8,784	\$8,784	\$8,784	\$8,784	\$8,784	\$8,784	\$8,784	\$8,784	\$8,784	
Total Public Costs	\$9,401	\$59,487	\$60,093	\$656,547	\$663,297	\$683,501	\$690,330	\$711,163	\$718,483	\$740,180	\$747,803	\$770,399	\$778,338	
NET PUBLIC REVENUES vs. PUBLIC COSTS	\$0	\$56,658	\$3,948	\$8,788	\$7,176	\$4,718	\$2,857	\$1,613	\$10,031	\$7,763	\$5,175	\$3,217	\$1,909	
<b>VIII. Library</b>														
Total Public Revenues	\$0	\$5,356												
Construction	---	---	---	---	---	---	---	---	---	---	---	---	---	
Operations	\$57,989	\$5,484	\$5,541	\$61,968	\$62,400	\$64,055	\$64,540	\$66,389	\$67,873	\$69,706	\$70,179	\$72,126	\$72,749	
Offsite Employee Effects	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Total Public Revenues	\$57,989	\$5,484	\$5,541	\$61,968	\$62,400	\$64,055	\$64,540	\$66,389	\$67,873	\$69,706	\$70,179	\$72,126	\$72,749	
<b>Total Public Costs</b>														
Construction	\$0	---	---	---	---	---	---	---	---	---	---	---	---	
Operations	\$0	\$4,735	\$4,792	\$60,290	\$60,928	\$62,820	\$63,484	\$65,454	\$66,146	\$68,197	\$68,917	\$71,053	\$71,804	
Offsite Employee Effects	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Total Public Costs	\$0	\$4,735	\$4,792	\$60,290	\$60,928	\$62,820	\$63,484	\$65,454	\$66,146	\$68,197	\$68,917	\$71,053	\$71,804	
NET PUBLIC REVENUES vs. PUBLIC COSTS	\$0	\$5,356	\$749	\$1,678	\$1,471	\$1,236	\$1,056	\$935	\$1,728	\$1,510	\$1,262	\$1,073	\$945	

Summary of Costs and Benefits  
Analysis  
12/04/06

	2020 Year 14	2021 Year 15	2022 Year 16	2023 Year 17	2024 Year 18	2025 Year 19	2026 Year 20	2027 Year 21	2028 Year 22	2029 Year 23	Total
<b>VII. School District Impacts</b>											
<b>Total Public Revenues</b>											
Construction											\$56,658
Operations	\$801,896	\$807,736	\$65,720	\$61,616	\$60,196	\$69,496	\$66,938	\$64,024	\$61,808	\$60,313	\$9,955,990
Offsite Employee Effects	\$1,968	\$2,009	\$2,051	\$2,094	\$2,138	\$2,183	\$2,229	\$2,276	\$2,324	\$2,373	\$40,728
State Revenue per Pupil	\$8,784	\$8,784	\$8,784	\$8,784	\$8,784	\$8,784	\$8,784	\$8,784	\$8,784	\$8,784	\$188,856
<b>Total Public Revenues</b>	\$812,648	\$818,529	\$74,555	\$72,494	\$71,119	\$80,464	\$77,951	\$75,084	\$72,916	\$71,470	\$10,242,231
<b>Total Public Costs</b>											
Construction											\$0
Operations	\$783,068	\$791,336	\$50,086	\$50,086	\$50,086	\$50,086	\$50,086	\$50,086	\$50,086	\$50,086	\$9,047,692
Offsite Employee Effects	\$10,018	\$10,018	\$10,018	\$10,018	\$10,018	\$10,018	\$10,018	\$10,018	\$10,018	\$10,018	\$215,387
State Cost per Pupil	\$8,784	\$8,784	\$8,784	\$8,784	\$8,784	\$8,784	\$8,784	\$8,784	\$8,784	\$8,784	\$188,856
<b>Total Public Costs</b>	\$801,870	\$810,138	\$68,888	\$68,888	\$68,888	\$68,888	\$68,888	\$68,888	\$68,888	\$68,888	\$9,451,935
<b>NET PUBLIC REVENUES vs. PUBLIC COSTS</b>	\$10,778	\$8,391	\$5,667	\$3,606	\$2,231	\$11,576	\$9,063	\$6,196	\$4,028	\$2,582	\$790,297
<b>VIII. Library</b>											
<b>Total Public Revenues</b>											
Construction											\$5,356
Operations	\$75,809	\$76,361	\$78,416	\$79,031	\$81,310	\$83,037	\$85,308	\$85,915	\$88,322	\$89,101	\$1,563,610
Offsite Employee Effects	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Public Revenues</b>	\$75,809	\$76,361	\$78,416	\$79,031	\$81,310	\$83,037	\$85,308	\$85,915	\$88,322	\$89,101	\$1,568,967
<b>Total Public Costs</b>											
Construction											\$0
Operations	\$74,029	\$74,810	\$77,127	\$77,941	\$80,354	\$81,202	\$83,714	\$84,597	\$87,214	\$88,134	\$1,477,743
Offsite Employee Effects	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Public Costs</b>	\$74,029	\$74,810	\$77,127	\$77,941	\$80,354	\$81,202	\$83,714	\$84,597	\$87,214	\$88,134	\$1,477,743
<b>NET PUBLIC REVENUES vs. PUBLIC COSTS</b>	\$1,780	\$1,550	\$1,289	\$1,090	\$956	\$1,835	\$1,593	\$1,318	\$1,108	\$967	\$91,224