



**THIRTEENTH AMENDMENT  
TO THE  
22<sup>ND</sup> & MAIN  
TAX INCREMENT FINANCING PLAN**

**I. Introduction**

This Thirteenth Amendment to the 22<sup>nd</sup> & Main Tax Increment Financing Plan (the "Thirteenth Amendment") shall change the 22<sup>nd</sup> & Main Tax Increment Financing Plan, as approved by the City of Kansas City, Missouri (the "City") by Ordinance No. 980230 (referred to herein as the "Plan") and subsequently amended by Ordinance No. 991058 (referred to herein as the "First Amendment"), Ordinance No. 000751 (referred to herein as the "Second Amendment"), Ordinance No. 000780 (referred to herein as the "Third Amendment"), Ordinance No. 001593 (referred to herein as the "Fourth Amendment"), Ordinance No. 040445 (referred to herein as the "Sixth Amendment"), Ordinance No. 060916 (referred to herein as the "Seventh Amendment"), Ordinance No. 061286 (referred to herein as the "Eighth Amendment"), Committee Substitute for Ordinance No. 070229, as amended, (referred to herein as the "Ninth Amendment"), Committee Substitute for Ordinance No. 070739 (referred to herein as the "Tenth Amendment"), and Ordinance No. 080841 (referred to herein as the "Eleventh Amendment"). Ordinance No. \_\_\_\_\_ (referred to herein as the "Fifth Amendment") was considered, but not approved by the City. Ordinance No. \_\_\_\_\_ (referred to herein as the "Twelfth Amendment") was considered, but not approved by the City. The Thirteenth Amendment provides for: a) eliminating Redevelopment Project Area 17, b) amending the boundaries of Redevelopment Project Area 18 to include the property previously described as comprising Redevelopment Project Area 17, as well as the inclusion of property located at 2114 Wyandotte Street; c) amending the Budget of Redevelopment Project Costs for Redevelopment Project 18; and d) the correction of typographical and transposition errors in Section V of the Plan, as amended, entitled, Estimated Redevelopment Project Costs. The Thirteenth Amendment continues to provide for the rehabilitation of the Freight House Building, the rehabilitation and construction of commercial and residential uses, together with the construction of parking and appurtenances, as well as all necessary utilities, street improvements, and public infrastructure within the expanded Redevelopment Area. To the extent the Plan, as amended, varies with the Thirteenth Amendment, said Plan, as amended, shall be amended and superseded thereby.

**II. Specific Amendments**

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

**Amendment No. 1:** Delete those portions of Exhibit I.B of the Plan, as amended, "Legal Description," related to Projects 17 and 18 and insert "Revised Legal Description – Project 18" attached hereto, in their stead.

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

**Amendment No. 3:** Delete those portions of Exhibit II of the Plan, as amended, "Project Design Summary Plan," related to Projects 17 and 18, and insert the following in their stead:

"Project 18 – The property in Redevelopment Project 18 will be redeveloped with 112,400 square feet of office and retail space, plus related off-street parking."

**Amendment No. 4:** Delete the first sentence of Section IVA of the Plan, as amended, "Estimated Redevelopment Project Costs," and insert the following in its stead:

"Redevelopment Project Costs are estimated to be approximately \$204,839,755, of which \$60,340,744 will qualify as Reimbursable Project Costs."

**Amendment No. 5:** Delete those portions of Exhibit 5 of the Plan, as amended, entitled "New Revised Estimated Redevelopment Project Costs (Projects 2-28)," related to Redevelopment Projects 17 and 18, and insert the attached Exhibit 5, entitled "Revised Estimated Redevelopment Project Costs – Redevelopment Project 18", attached hereto, in their stead.

**Amendment No. 6:** Delete those portions of Exhibit 3. A of the Plan, as amended, entitled "Construction Totals by Project Area," related to Redevelopment Projects 17 and 18, and insert the attached Exhibit 3.A, entitled "Revised Construction Totals by Redevelopment Project Area – Redevelopment Project 18," attached hereto, in their stead.

**Amendment No. 7:** Delete those portions of Exhibit 3. A of the Plan, as amended, entitled "Employment Totals by Project Area," related to Redevelopment Projects 17 and 18, and insert the attached Exhibit 3.A, entitled "Revised Employment Totals by Redevelopment Project Area – Redevelopment Project 18," attached hereto, in their stead.

**Amendment No. 8:** Delete those portions of Exhibit 5 of the Plan, as amended, entitled "New Revised Estimated Redevelopment Project Costs (Projects 2-28)," related to Redevelopment Projects 10, 12C and 12R, and 21 and insert the attached Exhibit 5, entitled "Revised Estimated Redevelopment Project Costs – Redevelopment Projects 10, 12C and 12R, and 21," attached hereto, in their stead.

**Amendment No. 9:** Delete those portions of Exhibit 6 of the Plan, as amended, entitled "Sources and Uses of Funds," related to Redevelopment Projects 17 and 18, and insert the attached Exhibit 6, entitled "Revised Sources and Uses of Funds – Redevelopment Project 18," attached hereto, in their stead.

**Amendment No. 10:** Delete those portions of Exhibit 7 of the Plan, as amended, entitled "Estimated Annual Increases in Assessed Value and Resulting Payments in Lieu of Taxes and Projected Economic Activity Taxes," related to Projects 17 and 18, and insert the attached Exhibit 7, entitled "Revised Estimated Annual Increases in Assessed Value and Resulting Payments in Lieu of Taxes and Projected Economic Activity Taxes – Project 18," attached hereto, in their stead.

**Amendment No. 11:** Amend Exhibit 8 of the Plan, as amended, entitled "Evidence of 'But For'" by attaching the attached "But For" Analysis by Applied Real Estate Analysis, Inc., dated June 3, 2009 and regarding Project 18 (Pabst/Pendergast) in 22<sup>nd</sup> and Main TIF District, and incorporating it therein.

**Amendment No. 12:** Amend Exhibit 9 of the Plan, as amended, entitled "Revised Cost-Benefit Analysis" by attaching the attached Cost-Benefit Analysis dated July 2, 2009 and regarding Project 18 (Pabst/Pendergast), and incorporating it therein.

**Amendment No. 1**

**Exhibit 1B**

**“Revised Legal Description of Project 18”**

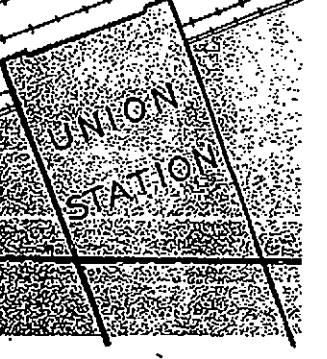
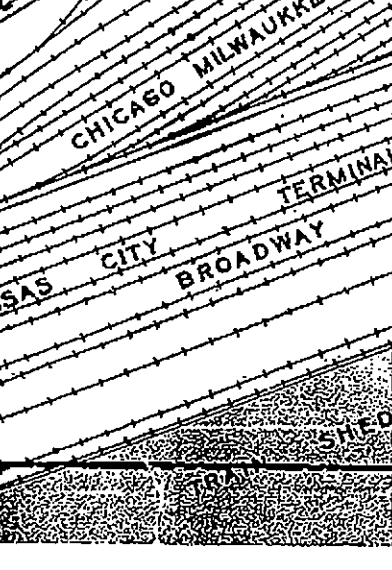
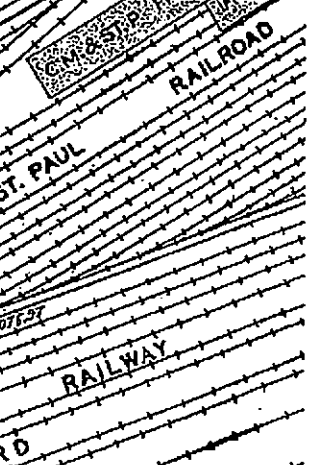
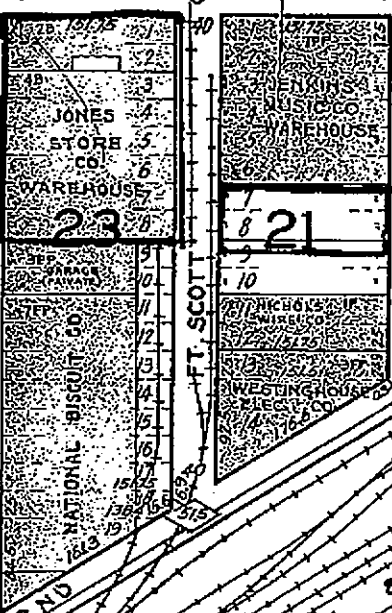
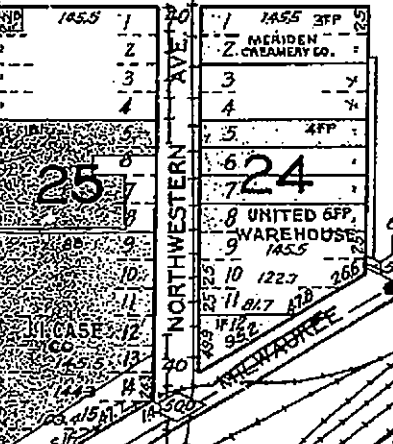
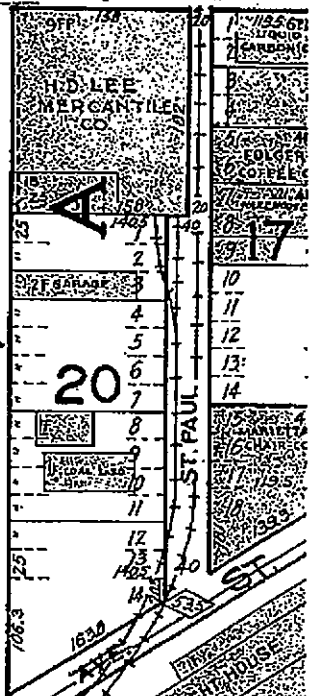
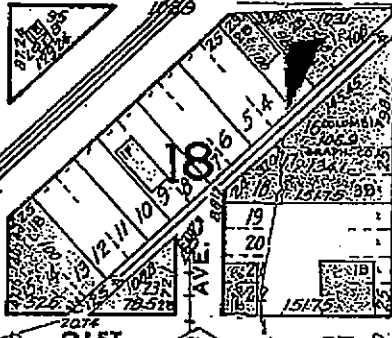
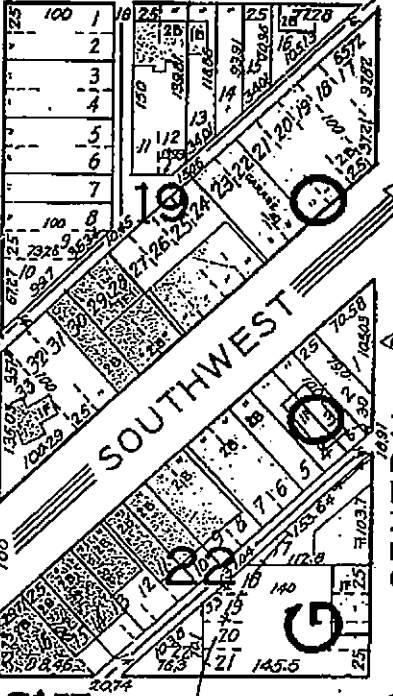
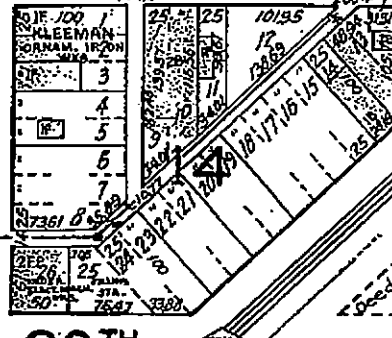
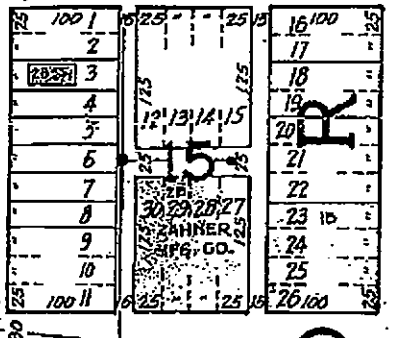
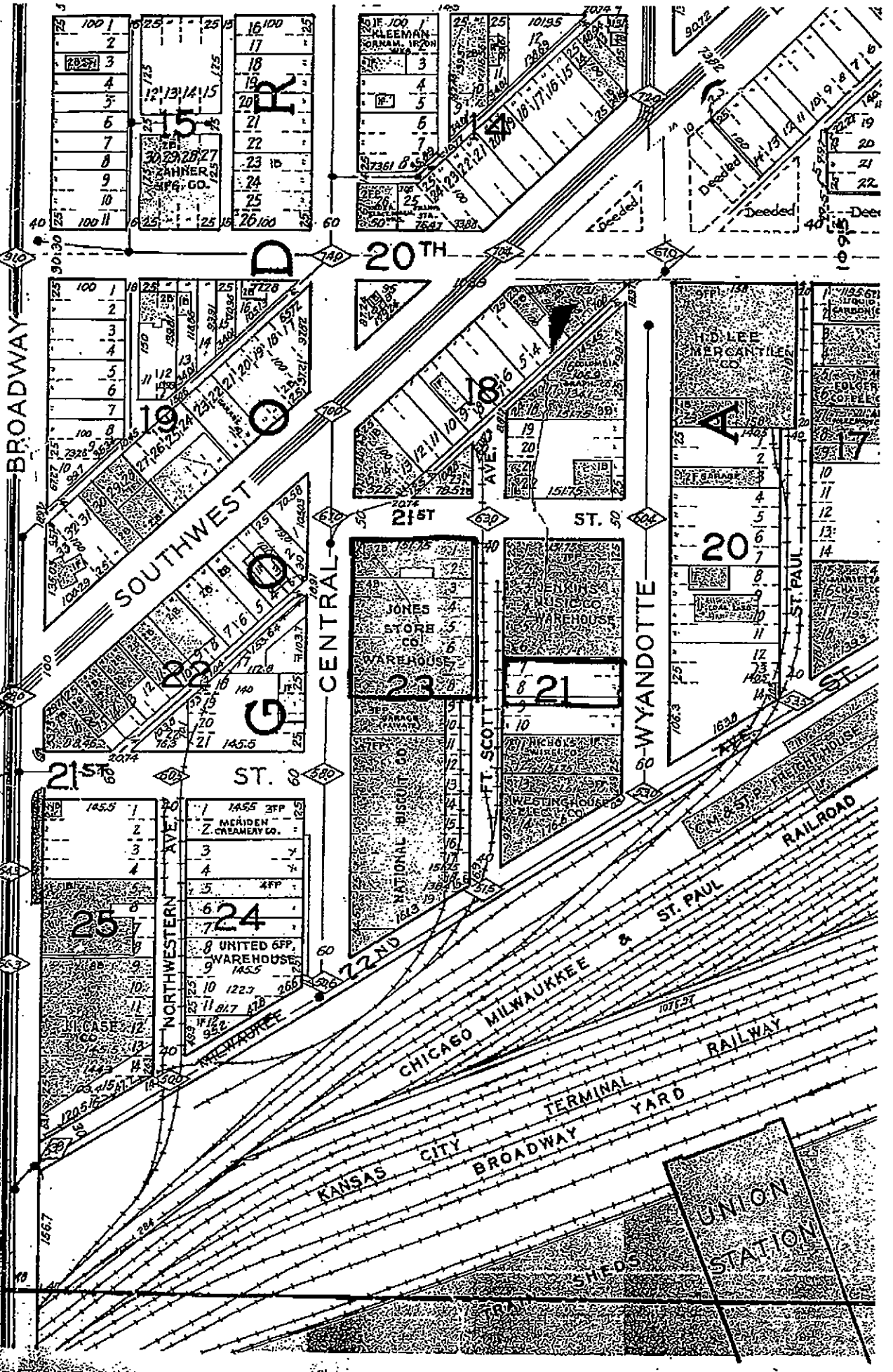
Lots 1 through 8, Block 23, and the west 10 feet of vacated Fort Scott Avenue lying East of and adjacent thereto, GOODRICH ADDITION, a subdivision in Kansas City, Jackson County, Missouri

And

Lots 7 and 8 and the North 15 feet of Lot 9, Block 21, GOODRICH ADDITION, a subdivision in Kansas City, Jackson County, Missouri, and further described as: beginning at the Northwest corner of Lot 7, thence South  $87^{\circ}28'31''$  East 152.03 feet; thence South  $02^{\circ}23'59''$  West 64.93 feet; thence North  $87^{\circ}29'39''$  West 152.16 feet; thence North  $02^{\circ}31'09''$  East 64.98 feet to the point of beginning (also known as Tract A, Certificate of Survey S-10, Pg-62)(Manfield Lot).

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

22









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 DIMENSIONS EXCEPT WHERE SHOWN OTHERWISE.

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MAKES COPY UNLESS OTHERWISE SPECIFIED  
 AND MAKE COPY FOR ALL PROJECTS

Pendergast  
 Pabst  
 Building

W. 2nd St. & Convent St.  
 Kansas City, MO 64118

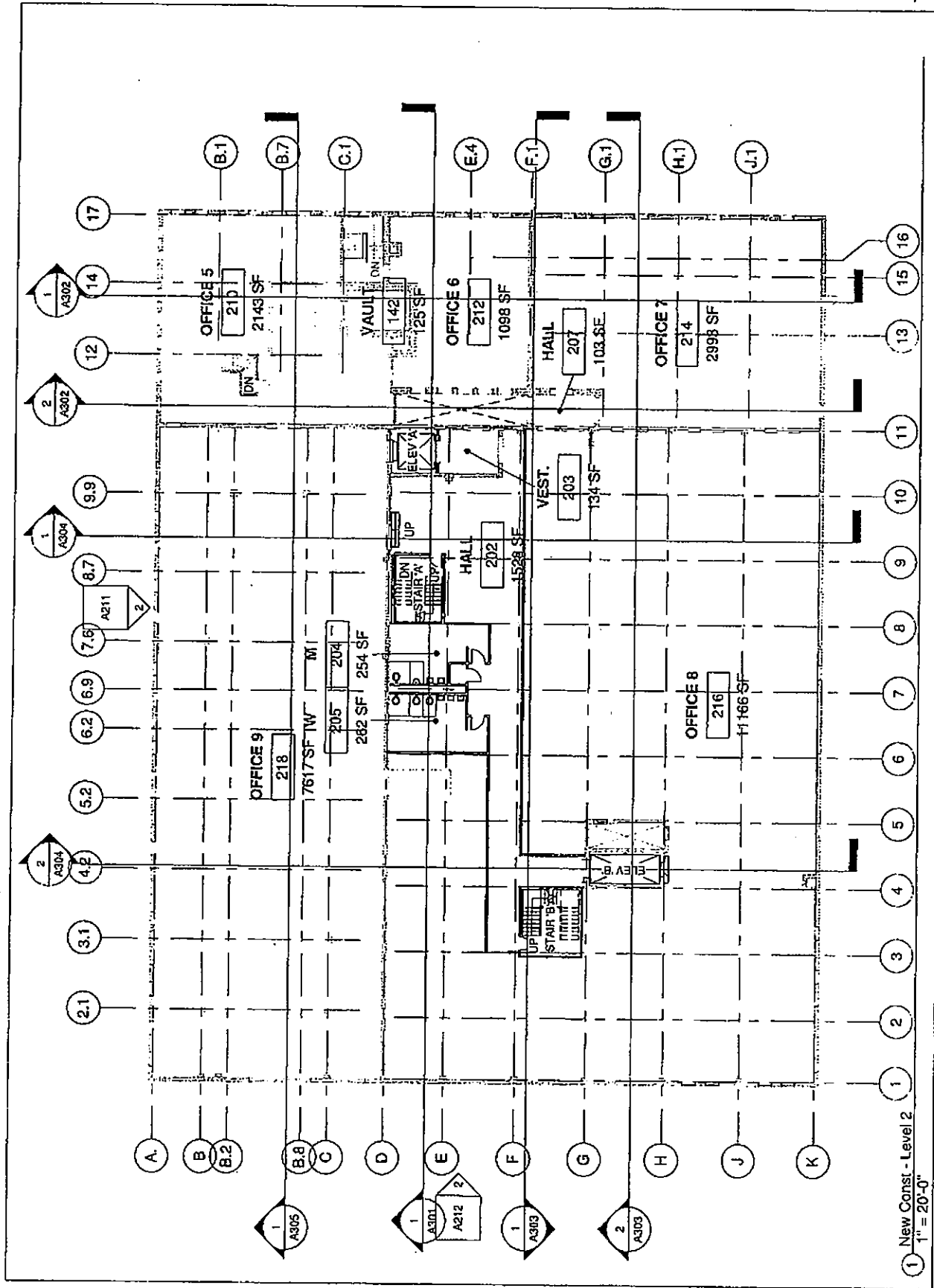
REVISION DATE

Project No. 000-000  
 Date 07/11/2009  
 Sheet 5 of 1

Second Floor Plan

A112

Schematic Design



1 New Const. - Level 2  
 1" = 20'-0"

ARCHITECTURE AND INTERIOR DESIGN  
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Vertical scale drawings represent  
 an idealized and not a physical layout

Pendergast  
 Pabst  
 Building

W. H. & L. C. & Co.  
 1000 14th Street

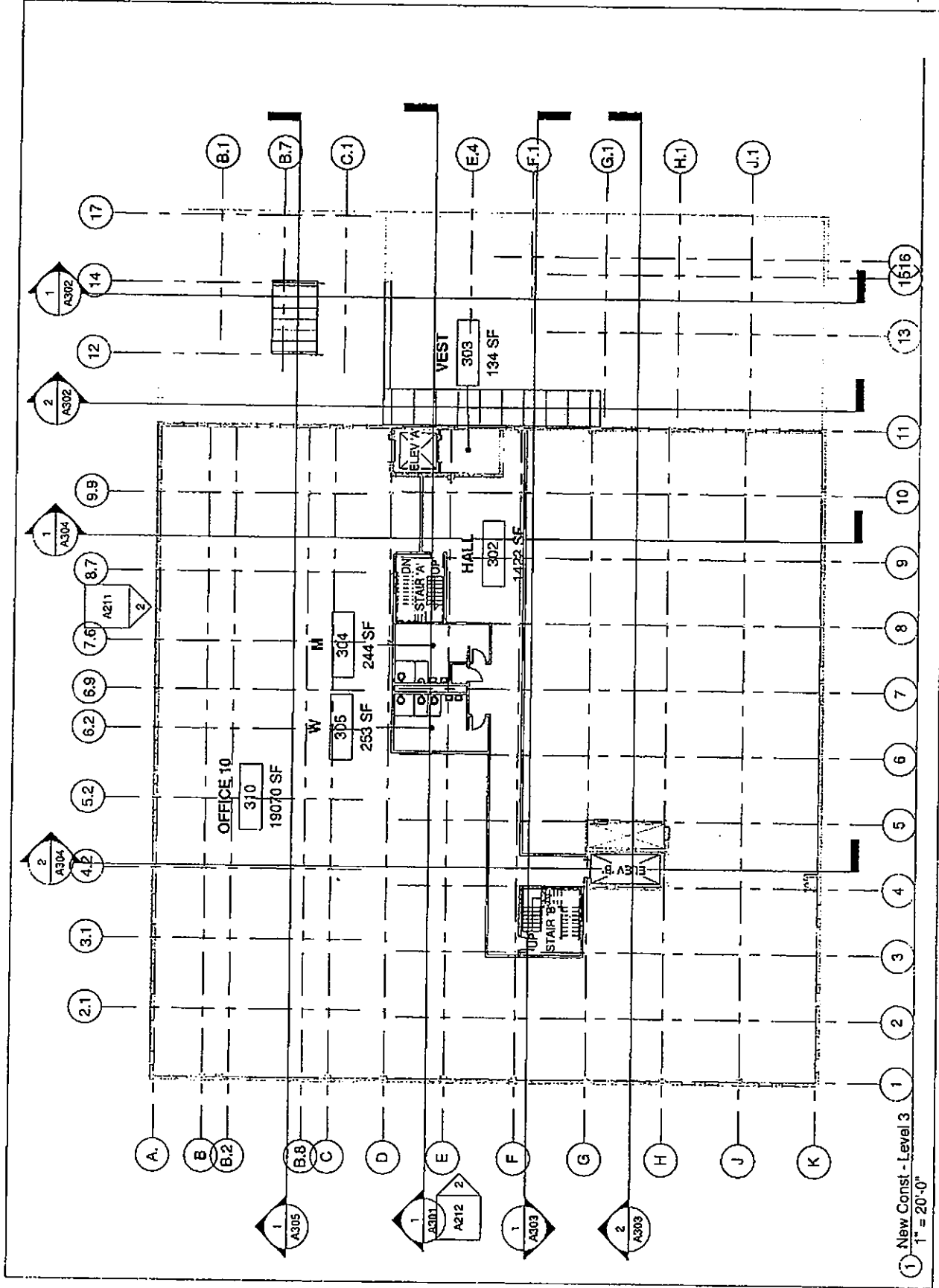
REVISION DATE

Project: Pendergast  
 Date: 05/11/2007  
 Sheet: 300

Third Floor Plan

A113

Schematic Design



1 New Const. - Level 3  
 1" = 20'-0"

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 Pabst  
 Building**

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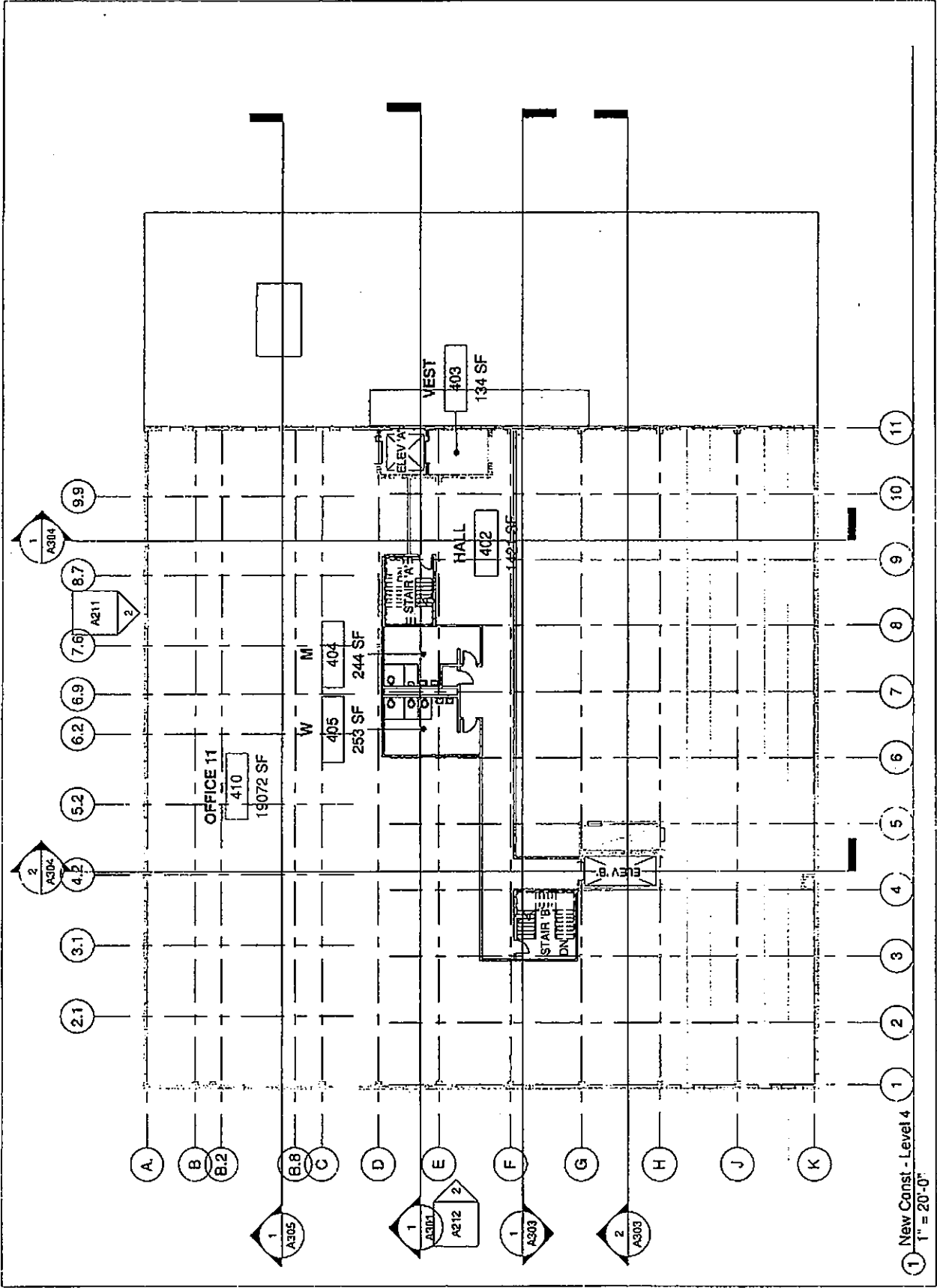
REVISION \_\_\_\_\_ DATE \_\_\_\_\_

PROJECT No. 00000000  
 Client: [REDACTED]  
 Date: 08/11/2020

Fourth Floor Plan

**A114**

Schematic Design



① New Const - Level 4  
 1" = 20'-0"

ASBESTOS REMEDIATION CONTRACTORS  
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 All jobs only see attached stamps

Pendergast  
 Pabst  
 Building

W. 2112 S. Comstock  
 Kansas City, MO 64118

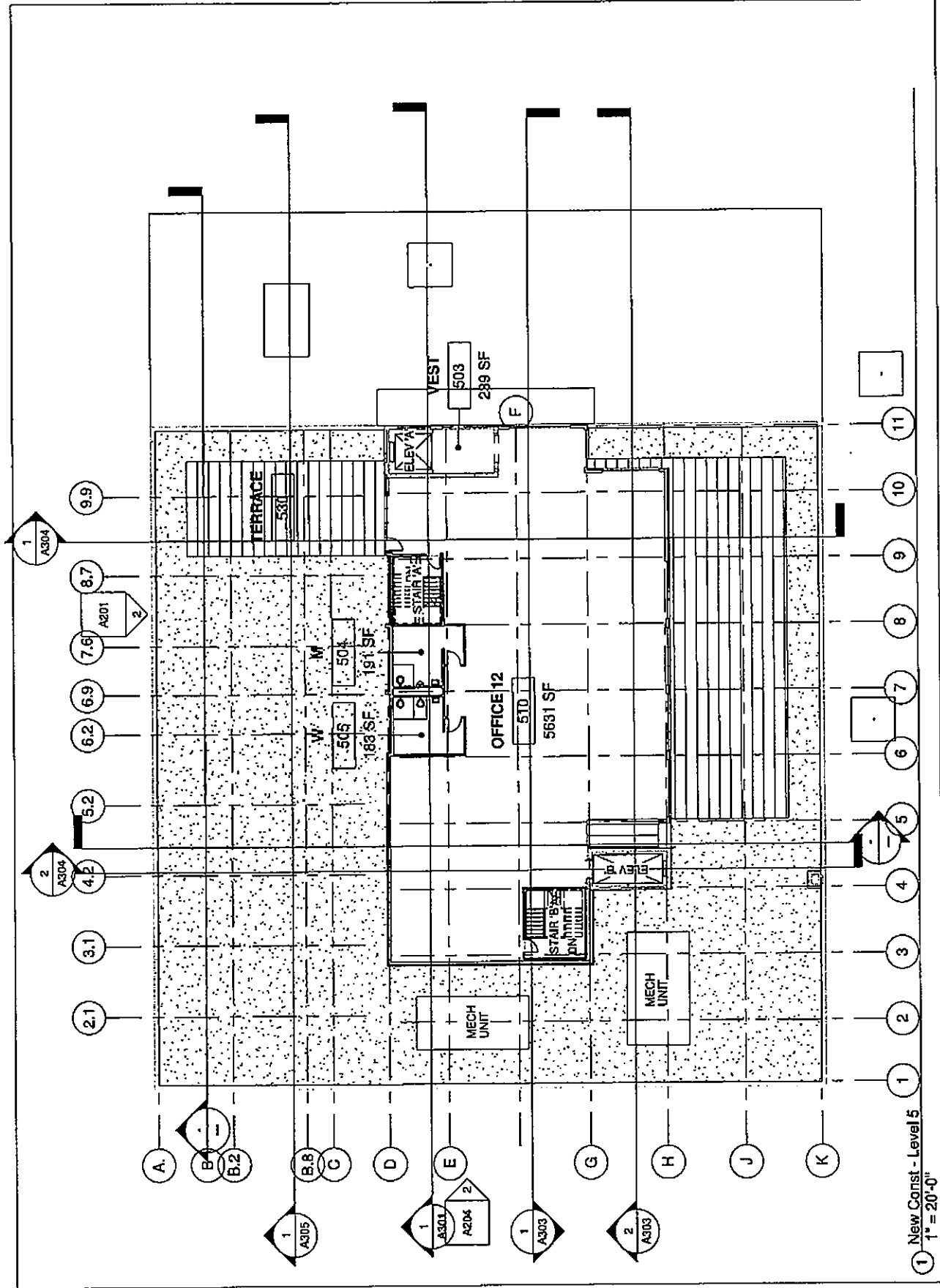
REVISION DATE

Project: Pendergast  
 Date: 07/16/09

Penitence Floor Plan

**A115**

Schematic Design



1 New Const - Level 5  
 1" = 20'-0"

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 and use right size window frame

**Pendergast  
 Pabst  
 Building**

14210 B & Canal R.  
 Westport, MO 64118

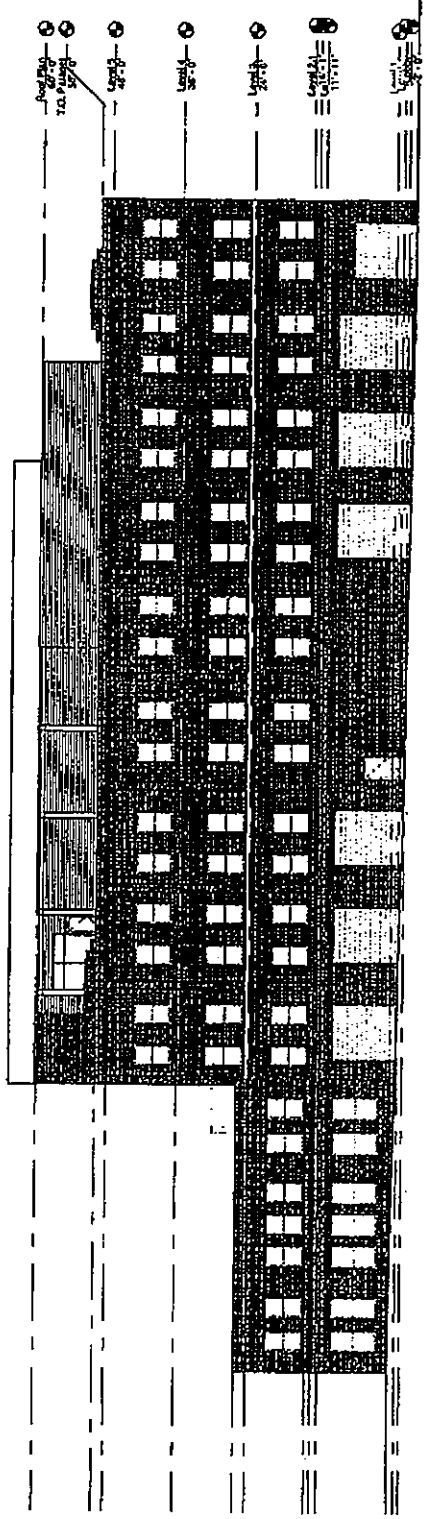
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Project No. 0024379  
 Date 05/10/09  
 Sheet

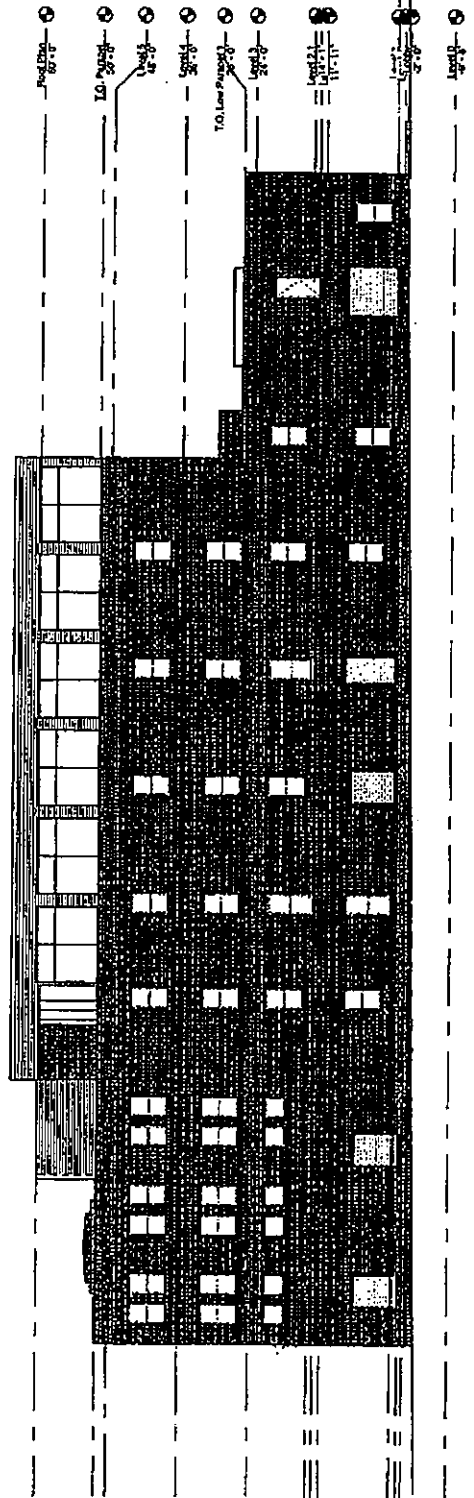
West and East  
 Elevations

**A211**

Schematic Design



② West Elevation  
 1" = 20'-0"



① East Elevation  
 1" = 20'-0"

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**Pendergast  
 Pabst  
 Building**

1000 S. 4th Street  
 Richmond, VA 23219

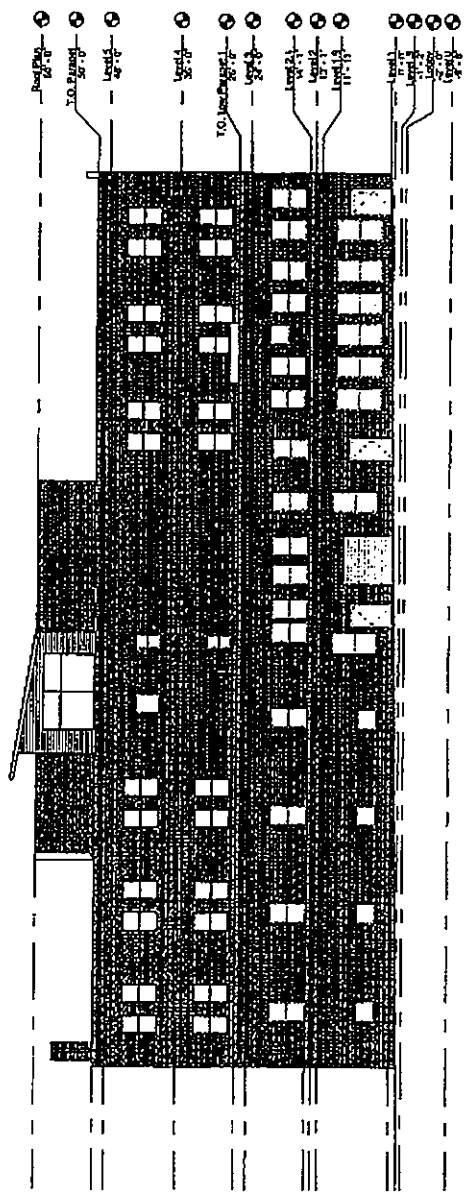
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Project No. 0808-0320  
 Date 05/11/2009  
 Sheet

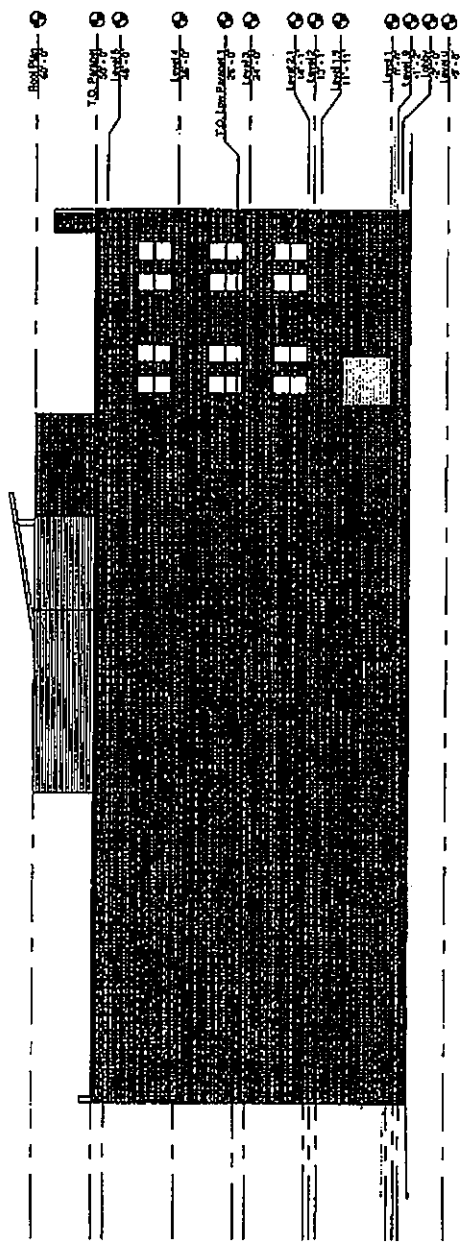
North and South  
 Elevations

**A212**

Schematic Design



① North Elevation  
 1" = 20'-0"



② South Elevation  
 1" = 20'-0"

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**Pendergast  
 Pabst  
 Building**

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 DENVER, COLORADO 80202

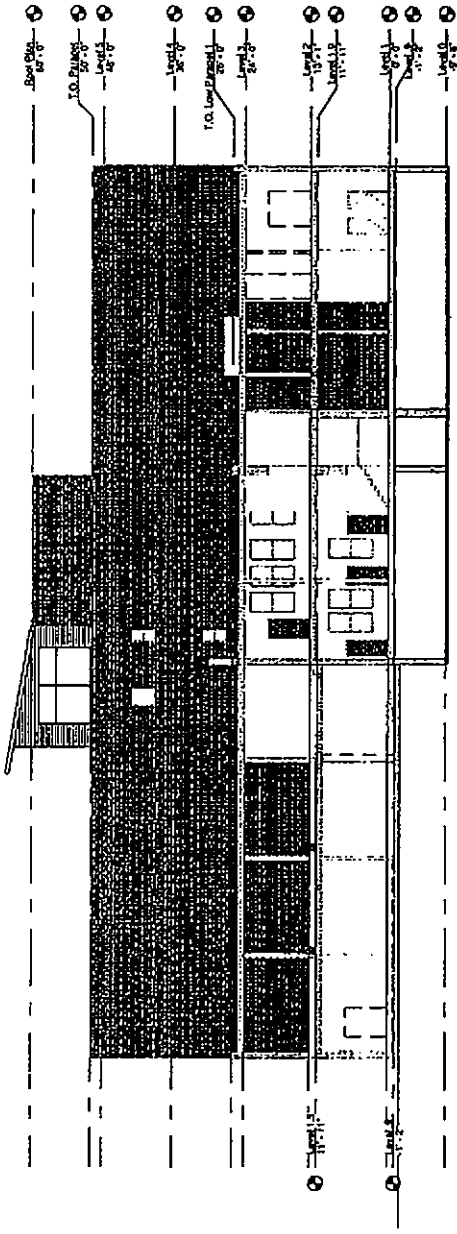
REVISION	DATE

PROJECT	DATE	REVISION

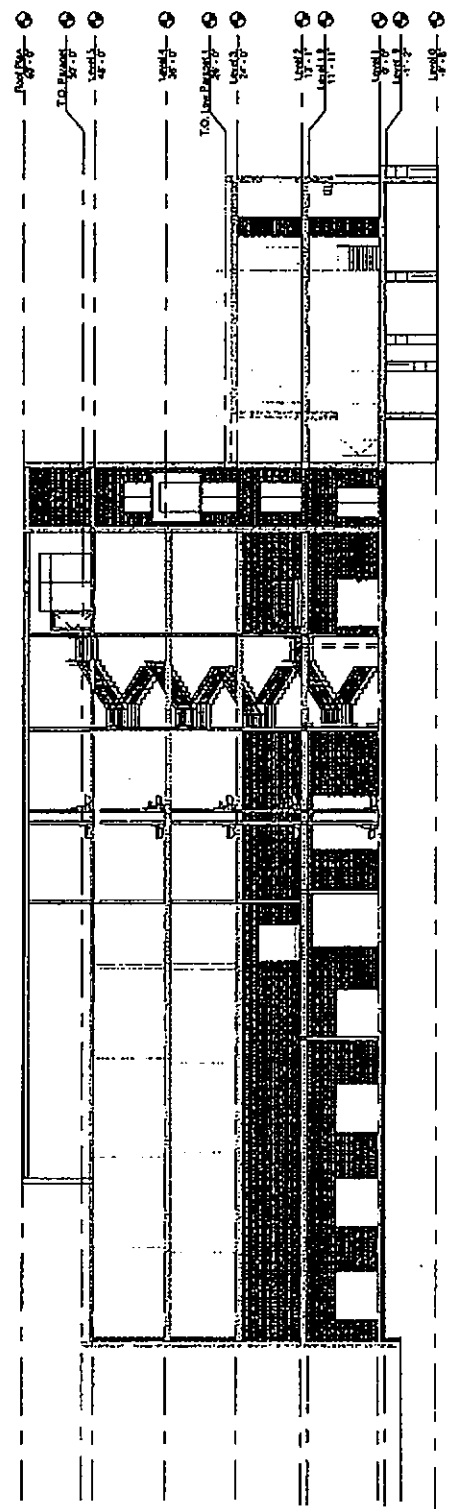
Building Sections

**A301**

Schematic Design



② Section A-A  
 1" = 20'-0"



① Section B-B  
 1" = 20'-0"



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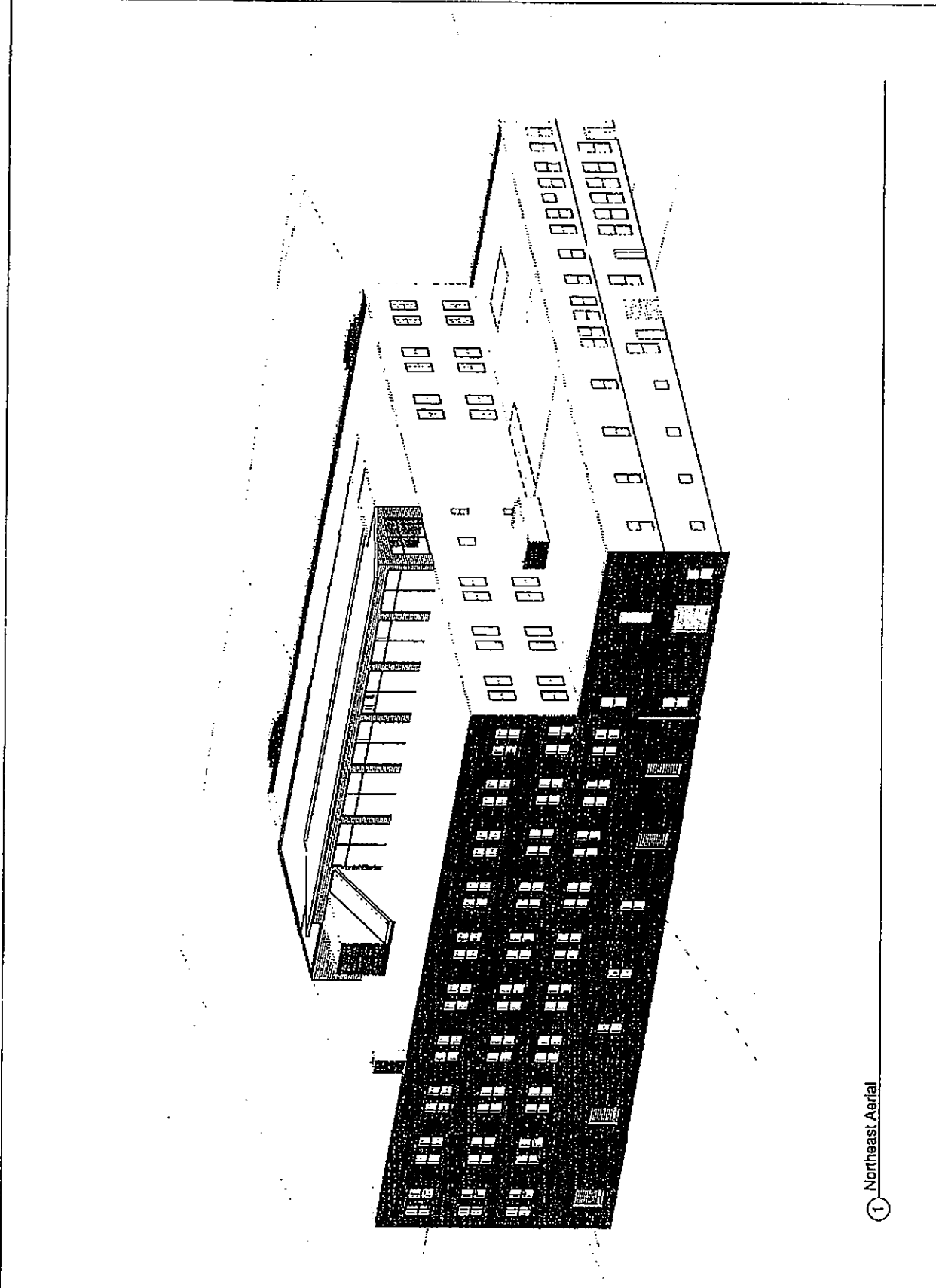
REVISION DATE

Project No. 0001-020  
Date: 09/11/2009  
Sheet:

Northeast Aerial

**A401**

Schematic Design



1 Northeast Aerial

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# Pendergast Pabst Building

1001 N. ZEEB ST.  
ANN ARBOR, MI 48106

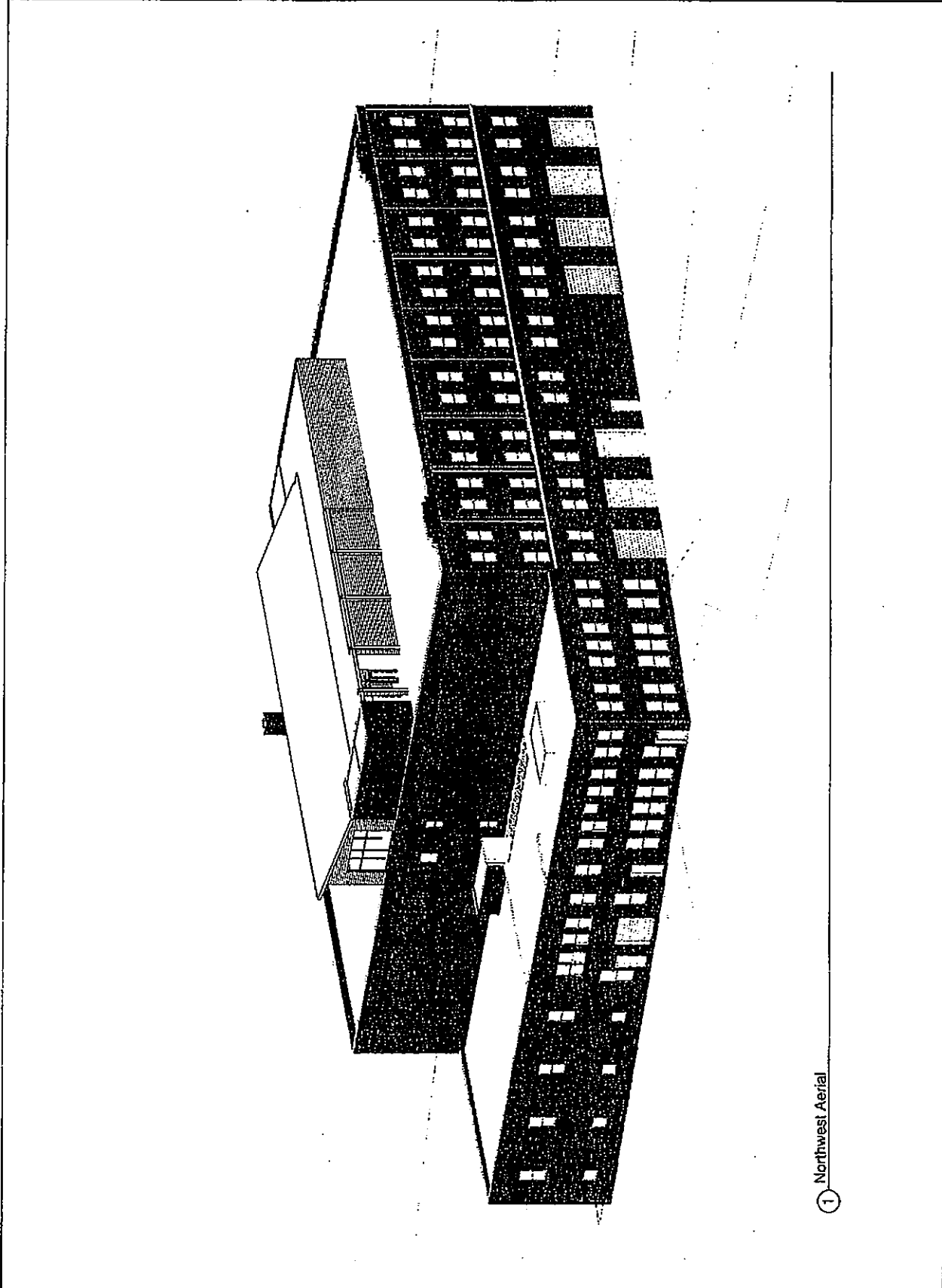
REVISION      DATE

PROJECT NO.      03001324  
DATE              05/11/2007  
SHEET

Northwest Aerial

# A402

Schematic Design



① Northwest Aerial

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Kansas City University of Health  
and Science Center

**Pendergast  
Pabst  
Building**

K. Paul D. Conrad, AIA  
Kansas City, MO 64108

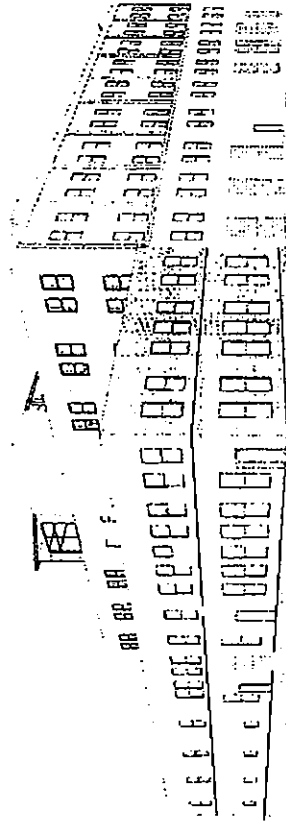
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Project No. 000-000  
Date 07/10/09

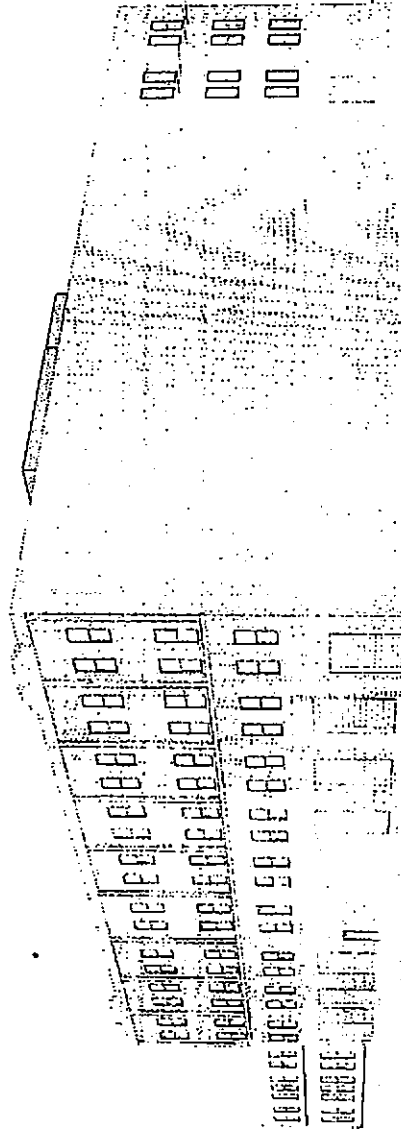
Perspectives

**A403**

Schematic Design



② Northwest Perspective



① Southwest Perspective

**Amendment No. 5**

**Exhibit 5**

**Revised Estimated Redevelopment Project Costs – Project 18**

**Project 18**

**Pabst-Pendergast Buildings**

**98,800 sq. ft. office; 13,600 sq. ft. retail**

	\$	\$	\$
Land/Existing Building Value	4,771,500	-	4,771,500
	\$	\$	\$
Construction Period Carry	2,098,096	-	2,098,096
	\$	\$	\$
Construction Cost	9,128,721	3,954,616	5,174,105
	\$	\$	\$
Professional & Management Costs	737,169	-	737,169
	\$	\$	\$
Marketing Costs	500,077	-	500,077
	\$	\$	\$
Working Capital Reserve	73,503	-	73,503
	\$	\$	\$
<u>Financing and Other Costs</u>	<u>459,206</u>	<u>\$ -</u>	459,206
	\$	\$	\$
Sub-Total	17,768,272	3,954,616	13,813,656

**Amendment No. 5**

**Exhibit 5**

**Revised Estimated Redevelopment Project Costs – Project 18**

**Project 18**

**Pabst-Pendergast Buildings**

54,000 sq. ft. office; 14,400 sq. ft. retail

	\$	\$	\$
Land/Existing Building Value	4,771,500	-	4,771,500
	\$	\$	\$
Construction Period Carry	2,098,096	-	2,098,096
	\$	\$	\$
Construction Cost	9,128,721	3,954,616	5,174,105
	\$	\$	\$
Professional & Management Costs	737,169	-	737,169
	\$	\$	\$
Marketing Costs	500,077	-	500,077
	\$	\$	\$
Working Capital Reserve	73,503	-	73,503
	\$	\$	\$
<u>Financing and Other Costs</u>	<u>459,206</u>	<u>\$ -</u>	<u>459,206</u>
	\$	\$	\$
Sub-Total	17,768,272	3,954,616	13,813,656

**Amendment No.6**

**Exhibit 3.A**

**Revised Construction Totals by Project Area – Project 18**

Amendment No.6  
 Exhibit 3.A  
 Revised Construction Totals  
 by Project Areas - Project 18

**6. CONSTRUCTION TOTALS BY PROJECT AREA  
 CONSOLIDATED PROJECT AREAS 17 AND 18**

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

	NEW CONSTRUCTION	Existing Structures to REMAIN AS IS	Existing Structures to be REHABILITATED	Total	Existing Structures to be DEMOLISHED
Square feet of OFFICE Space	7,400		91,400	98,800	N/A
Square feet of RETAIL Space	N/A		13,600	13,600	N/A
Square feet of INSTITUTIONAL Space	N/A		N/A	N/A	N/A
Square feet of STORAGE Space	N/A		N/A	N/A	N/A
Total Square Feet	7,400		105,000	112,400	N/A
Number of DWELLING UNITS				N/A	N/A
Number of HOTEL ROOMS				N/A	N/A
Number of PARKING SPACES			33	33	N/A

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

**Amendment No.7**

**Exhibit 3.B**

**Revised Employment Totals by Project Area – Project 18**



7. **EMPLOYMENT INFORMATION - PROJECT ONE**

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

<b>Permanent jobs to be CREATED IN Kansas City</b>	368
<b>Permanent jobs to be RELOCATED TO Kansas City</b>	N/A
<b>Permanent jobs to be RETAINED IN Kansas City</b>	N/A
<b>TOTAL</b>	368 <sup>1</sup>
<b>Anticipated Annual Payroll</b>	\$14,194,000
<b>Estimated number of construction workers to be hired during construction phase</b>	228

<sup>1</sup> Anticipated jobs based on 3.5 employee per 1,000 s.f. of office and 2 employees per 1,000 s.f. of retail

**Amendment No. 8**

**Exhibit 5**

**Revised Estimated Redevelopment Project Costs – Projects 10, 12C and 12R, and 21  
(highlighted cells show corrections)**

	<u>Estimated</u> <u>Total</u> <u>Project</u> <u>Costs</u>	<u>TIF</u> <u>Reimbur-</u> <u>sable</u> <u>Costs</u>	<u>Developer</u> <u>Equity or</u> <u>Private</u> <u>Financing</u>
<b>Project 10</b>			
<b>1900 Main</b>			
<b>3,000 sq. ft. restaurant; 3,300 sq. ft. photography studio; 7,800 sq. ft. office</b>			
Acquisition	145,000	0	145,000
Building Rehabilitation	461,229	0	461,229
Financing	17,446	0	17,446
Interest Expense	<del>383,723</del>	<del>383,723</del>	0
ADA Compliance	76,000	76,000	0
<u>Sidewalk Vault Restoration</u>	<u>275,103</u>	<u>274,000</u>	<u>1,103</u>
Sub-Total	1,358,501	<del>733,723</del>	624,778
<b>Project 12 C &amp; 12 R</b>			
<b>H.D. Lee Building</b>			
<b>18,000 sq. ft. office; 16,220 sq. ft. retail/restaurant</b>			
<b>119 residential condominiums/apartments</b>			
Acquisition Cost	7,250,000	0	7,250,000
Construction	23,883,900		23,883,900
Soft Costs	2,587,500		2,587,500
Financing Costs	2,717,025		2,717,025
<u>Developers Fee</u>	<del>4,200,000</del>	<u>0</u>	<del>4,200,000</del>
Sub-Total	<del>40,638,425</del>	0	<del>40,638,425</del>
<b>Project 21</b>			
<b>AD Jacobson Redevelopment</b>			
<b>14,669 sq. ft. retail and related surface parking</b>			
Building Acquisition	1,124,560	0	1,124,560
Demolition	0	0	0
Sitework, Surface Parking & Streetscape	278,529	278,529	0
Shell Building Improvements	864,163	0	<del>864,163</del>
Tenant Finish Allowance	246,015	0	246,015

Public Art	43,000	33,000	10,000
Construction Contingency	0	0	0
Architectural & Engineering Services	130,000	60,000	70,000
Miscellaneous Owner Expenses	123,232	116,732	6,500
Special Inspections	3,000	0	3,000
Surveys, Soils	5,000	0	5,000
Commissions	75,000	0	75,000
Financing, Legal & Project Management	287,917	37,917	250,000
<u>Contingency</u>	<u>0</u>	<u>0</u>	<u>0</u>
Sub-Total	3,180,416	526,178	2,654,238

**Project Improvement Sub-Total**    \$ 204,159,415    \$59,660,404    \$ 144,499,011

**TOTAL**    \$ 204,839,755    \$60,340,744    \$ 144,499,011

[PDS]: Pabst/Pendergast Project

Business Plan Draft: Try # 15  
 Date: 21-May-09

## Uses of Capital

<b>Pre-Development Investment</b>				
	Existing Property Valuation	4,756,500		
	Survey	15,000		
	Demolition	-		
	Environmental	-		
	<b>Subtotal Pre-Development Investment</b>		<b>4,771,500</b>	<b>27%</b>
<b>Professional &amp; Management Costs</b>				
	Accounting, Legal, Government Incentives	85,601		
	Design & Planning	24,000		
	Developer Fees	627,568		
	<b>Subtotal Financing Costs</b>		<b>737,169</b>	<b>4%</b>
<b>Construction Costs</b>				
	Site & Off Site Work	300,706		
	Shell Rehabilitation Contracts	5,922,108		
	Shell Enlargement	904,064		
	Tenant Finish Allowance	1,838,378		
	Public Art	25,000		
added	Performance Bonds 1.25%	112,378		
	Testing & Inspections	26,087		
	<b>Subtotal Construction Costs</b>		<b>9,128,721</b>	<b>51%</b>
<b>Construction Period Carry</b>				
	Interest	1,911,427	<i>Note</i>	
	Insurance	56,550		
	Taxes	74,518		
	Legal & Accounting	55,601		
	Utilities			
	<b>Subtotal Construction Period Carry</b>		<b>2,098,096</b>	<b>12%</b>
<b>Financing Costs</b>				
	Loan Fees	403,605		
	Closing Costs, Title Insurance, Legal, Accounting	55,601		
	<b>Subtotal Financing Costs</b>		<b>459,206</b>	<b>3%</b>
<b>Marketing</b>				
	Public Relations	-		
	Commissions	500,077		
	Legal	-		
	<b>Subtotal Marketing</b>		<b>500,077</b>	<b>3%</b>
<b>Additional</b>				
<i>Note Added</i>	Working Capital Reserve	73,503		
	<b>Subtotal Additional</b>		<b>73,503</b>	<b>0%</b>
	<b>Total Uses of Capital</b>		<b>17,768,273</b>	
	<i>(Check sum)</i>		<i>D.DP</i>	

Amendment No.9 Exhibit 6 Revised Sources & Uses of Funds - Project 18

Sources of Capital

1st Mortgage End Loan		7,000,000	39%	Proposal
<u>Munro's Members Equity</u>	0.00	6,901,608	39%	2,668,371 New Equity in / (Out)
Type A LP Historic - Federal Tax Credit		-		
Type A LP Historic - Federal Tax Credit		1,718,518	10%	
Type B LP Historic - State Tax Credit		<u>2,148,147</u>	12%	
Total Equity		10,768,273	61%	
Total Sources of Capital				17,768,273

**Amendment No. 9**

**Exhibit 6**

**Revised Sources and Uses of Funds – Project 18**

**Amendment No.10**

**Exhibit 7**

**Revised Estimated Annual Increases in Assessed Value and Resulting Payments in Lieu of  
Taxes and Projected Economic Activity Taxes – Project 18**

Amendment No.10 Exhibit 7 Revised Estimated Annual Increases...Project 18

YEAR	INDIVIDUAL			TOTAL EATS	100% PILOTS	50% EATS STATUTORY TIF	TOTAL TIF	5% TIF. ADMIN FEE	NEIGHBORHOOD IMPROVEMENT FUND	12% NEIGHBORHOOD IMPROVEMENT FUND	TOTAL TO SPECIAL ALLOCATION FUND
	UTILITIES	SALES TAX	EARNINGS								
1	\$ 29,082	\$ 41,990	\$ 44,001	\$ 115,073	\$	\$ 57,536	\$ 57,536	\$ 2,877	\$ 6,904	\$ 6,904	\$ 47,766
2	\$ 29,683	\$ 42,830	\$ 66,712	\$ 139,205	\$	\$ 69,602	\$ 69,602	\$ 3,480	\$ 8,352	\$ 8,352	\$ 57,770
3	\$ 30,256	\$ 43,686	\$ 141,940	\$ 215,883	\$	\$ 107,941	\$ 107,941	\$ 5,397	\$ 12,953	\$ 12,953	\$ 89,691
4	\$ 30,852	\$ 44,560	\$ 144,779	\$ 220,200	\$ 38,334	\$ 110,100	\$ 148,435	\$ 7,422	\$ 17,812	\$ 17,812	\$ 123,201
5	\$ 31,479	\$ 45,451	\$ 147,674	\$ 224,604	\$ 79,146	\$ 112,302	\$ 191,448	\$ 9,572	\$ 22,974	\$ 22,974	\$ 158,902
6	\$ 32,108	\$ 46,360	\$ 150,628	\$ 229,097	\$ 80,129	\$ 114,548	\$ 195,277	\$ 9,764	\$ 23,433	\$ 23,433	\$ 162,080
7	\$ 32,751	\$ 47,288	\$ 153,640	\$ 233,679	\$ 80,723	\$ 116,839	\$ 197,568	\$ 9,878	\$ 23,708	\$ 23,708	\$ 163,982
8	\$ 33,406	\$ 48,233	\$ 156,713	\$ 238,352	\$ 82,343	\$ 119,176	\$ 201,520	\$ 10,076	\$ 24,182	\$ 24,182	\$ 167,261
9	\$ 34,074	\$ 49,198	\$ 159,847	\$ 243,119	\$ 82,343	\$ 121,560	\$ 203,903	\$ 10,195	\$ 24,468	\$ 24,468	\$ 169,240
10	\$ 34,755	\$ 50,182	\$ 163,044	\$ 247,962	\$ 83,990	\$ 123,991	\$ 207,981	\$ 10,399	\$ 24,958	\$ 24,958	\$ 172,624
11	\$ 35,450	\$ 51,186	\$ 166,305	\$ 252,941	\$ 83,990	\$ 126,471	\$ 210,461	\$ 10,523	\$ 25,255	\$ 25,255	\$ 174,683
12	\$ 36,159	\$ 52,209	\$ 169,631	\$ 258,000	\$ 85,670	\$ 129,000	\$ 214,670	\$ 10,734	\$ 25,760	\$ 25,760	\$ 178,176
13	\$ 36,882	\$ 53,253	\$ 173,024	\$ 263,160	\$ 85,670	\$ 131,580	\$ 217,250	\$ 10,863	\$ 26,070	\$ 26,070	\$ 180,318
14	\$ 37,620	\$ 54,319	\$ 176,485	\$ 268,423	\$ 87,384	\$ 134,212	\$ 221,595	\$ 11,080	\$ 26,591	\$ 26,591	\$ 183,924
15	\$ 38,372	\$ 55,405	\$ 180,014	\$ 273,792	\$ 87,384	\$ 136,898	\$ 224,279	\$ 11,214	\$ 26,914	\$ 26,914	\$ 186,152
16	\$ 39,140	\$ 56,513	\$ 183,615	\$ 279,267	\$ 89,131	\$ 139,634	\$ 228,765	\$ 11,438	\$ 27,452	\$ 27,452	\$ 189,875
17	\$ 39,923	\$ 57,643	\$ 187,287	\$ 284,853	\$ 89,131	\$ 142,426	\$ 231,558	\$ 11,578	\$ 27,787	\$ 27,787	\$ 192,193
18	\$ 40,721	\$ 58,796	\$ 191,033	\$ 290,550	\$ 90,914	\$ 145,275	\$ 236,189	\$ 11,809	\$ 28,343	\$ 28,343	\$ 196,037
19	\$ 41,536	\$ 59,972	\$ 194,853	\$ 296,361	\$ 90,914	\$ 148,180	\$ 239,094	\$ 11,955	\$ 28,691	\$ 28,691	\$ 198,448
20	\$ 42,366	\$ 61,172	\$ 198,750	\$ 302,288	\$ 92,732	\$ 151,144	\$ 243,876	\$ 12,194	\$ 29,265	\$ 29,265	\$ 202,417
21	\$ 43,214	\$ 62,395	\$ 202,725	\$ 308,334	\$ 92,732	\$ 154,167	\$ 246,899	\$ 12,345	\$ 29,628	\$ 29,628	\$ 204,926
22	\$ 44,078	\$ 63,643	\$ 206,780	\$ 314,501	\$ 94,587	\$ 157,250	\$ 251,837	\$ 12,592	\$ 30,220	\$ 30,220	\$ 209,025
23	\$ 44,959	\$ 64,916	\$ 210,915	\$ 320,791	\$ 94,587	\$ 160,395	\$ 254,982	\$ 12,749	\$ 30,598	\$ 30,598	\$ 211,636
	\$ 838,856	\$ 1,211,200	\$ 3,770,397	\$ 5,820,453	\$ 1,692,441	\$ 2,910,227	\$ 4,602,668	\$ 230,133	\$ 552,320	\$ 552,320	\$ 3,820,214
											\$ 1,854,167
											NPV @ 6%



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**ASSUMPTIONS:**

Project: Pabst and Pendergast Buildings, Manfield Lot  
111,100 total s.f.  
97,500 s.f. office; 13,600 s.f. retail

**EATS:**

Utilities: \$2.00 per sq. ft.  
Utility Tax Rate & Utility Sales Tax: 13.088%  
Retail Sales: \$100 per s.f.  
Sales Tax Rate: 3.0875%  
Employees: 3.5 employees per 1,000 s.f. of office space; 2 employees per 1,000 s.f. of retail space  
Payroll: Office employee - \$40,000 per year; Retail employees - \$20,000 per year  
Inflation: 2% per year  
Employees being phased in over 3 years as development progresses

**CURRENT ASSESSED VALUES:**

Pabst	2107 Central	\$	152,000
Pendergast	2101 Central	\$	558,400
Manfield Lot		\$	69,120

PILOTS: Total hard construction budget: \$ 8,600,257  
Rehab construction costs: \$ 7,937,041  
New construction costs: \$ 663,216  
Market Value upon completion: \$5,359,119  
Est. Assessed Value (32%) \$1,714,918  
Inflation 2% every other year  
Tax Rate: \$7.879  
Construction will be phased in over a period of 4 years

Note: Manfield Lot is being added to Project Area, however no improvements being made to lot and no PILOTS to be recaptured.

**Amendment No.11**

**Exhibit 8**  
**Evidence of "But For"**  
**Project 18**



Applied Real Estate Analysis, Inc.

914 S. Wabash Avenue  
Chicago, IL 60605  
Telephone 312.461.9332  
Fax 312.461.0015

mainoffice@areainc.net  
www.areainc.net

June 3, 2009

Mr. Robert Long  
Economic Development Corporation of Kansas City  
1100 Walnut, Suite 1700  
Kansas City, Missouri 64106

Re: Pabst/Pendergast Project in 22nd and Main TIF District

Dear Mr. Long:

Applied Real Estate Analysis (AREA), Inc., has reviewed the financials submitted by the developers of the proposed mixed-use project on the Southwest corner of 21st and Central in the Crossroads section of Downtown Kansas City. The developer is requesting TIF assistance for this project. In preparing this analysis, we reviewed the developer's assumptions on rents and revenues for the office and parking. Generally, the assumptions were realistic. We believe the plans for a staged development are prudent given the current real estate market. It is our conclusion that the full amount requested will be needed to make the project even marginally viable.

This project can only be viewed as a long-term investment. We first ran our analysis assuming a typical ten-year holding period. Under that scenario, the returns on investment were all negative. We therefore ran the analysis for a 23-year holding period to coincide with the life of the TIF. We used a 9% cap rate to determine disposition price. The following table shows the results of the analysis.

	Without TIF	With TIF
23 Year Holding		
Cash-on cash IRR	4.55%	5.32%
Equity IRR	6.89%	8.49%

Although returns on all types of investments are down, developers are still trying to obtain returns of 12% to 15% to justify the risk involved. In this case, the potential returns fall far below that threshold. However, the owner of the property already has a

substantial equity investment which is not producing any return. Thus, the extra 1.6% return afforded by the TIF may be enough to justify the risk of adding another \$2.67 million in equity to the project.

**Conclusions**

AREA's analysis definitely demonstrates that the project meets the "But For" requirements for TIF assistance. The only question is whether the TIF assistance makes the project attractive enough to encourage the property's owner to risk additional investment.

Respectfully submitted,

**APPLIED REAL ESTATE ANALYSIS, INC.**



Robert E. Miller, CRE  
Sr. Vice President

Pabst/Pendergast Project  
 AREA Analysis June 3, 2009

	Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
<b>Net Income</b>		(165,613)	104,243	164,561	115,761	835,130	889,268	732,096	776,422	822,299	869,782	918,927	969,793	1,022,438	1,076,926	1,133,321
<b>Pre-TIF NOI</b>		-\$17,768,273	(165,613)	104,243	164,551	115,761	835,130	889,268	732,086	776,422	822,299	869,782	918,927	969,793	1,022,438	1,076,926
Cash on Cash IRR with out TIF	4.66%															
TIF Payments		88,400	90,168	91,971	125,628	161,378	164,605	166,558	169,899	171,920	175,358	177,471	183,219	186,883	189,170	192,953
Project Cash Flow		-\$17,768,273	(77,213)	194,411	286,522	241,389	996,508	853,873	898,654	946,311	994,219	1,046,140	1,096,398	1,153,012	1,209,521	1,266,098
Cash on Cash IRR with TIF	5.32%															
<b>Additional equity</b>																
Pre-TIF Cash Flow		(4,233,237)	(209,487)	(36,412)	(1,501,768)	(1,050,471)	193,325	47,463	90,291	134,617	180,494	227,977	277,122	327,988	380,633	435,121
Equity IRR without TIF	6.89%															
Mortgage Payment		(165,613)	104,243	164,551	115,761	835,130	889,268	732,086	776,422	822,299	869,782	918,927	969,793	1,022,438	1,076,926	1,133,321
see note		(43,874)	(140,655)	(65,256)	(98,884)	(641,805)	(641,805)	(641,805)	(641,805)	(641,805)	(641,805)	(641,805)	(641,805)	(641,805)	(641,805)	(641,805)
<b>TIF Payments</b>		88,400	90,168	91,971	125,628	161,378	164,605	166,558	169,899	171,920	175,358	177,471	183,219	186,883	189,170	192,953
Equity IRR with TIF	8.48%															
Equity		(4,233,237)	(121,087)	63,768	(1,409,787)	(924,843)	354,703	212,068	256,849	304,506	352,414	403,335	454,593	511,207	567,516	624,291

Note: Mortgage draws are staged over first four years and payment is interest only. The first full payment is in the fifth year.

10 year holding

<b>Pre-TIF NOI</b>		-\$17,768,273	(165,613)	104,243	164,551	115,761	835,130	889,268	732,086	776,422	822,299	869,782	918,927	969,793	1,022,438	1,076,926
TIF Payments	IRR with out TIF	-1.33%														
Project Cash Flow		88,400	90,168	91,971	125,628	161,378	164,605	166,558	169,899	171,920	175,358	177,471	183,219	186,883	189,170	192,953
IRR with TIF		-\$17,768,273	(77,213)	194,411	286,522	241,389	996,508	853,873	898,654	946,311	994,219	1,046,140	1,096,398	1,153,012	1,209,521	1,266,098
IRR with TIF		-0.37%														
<b>Pre-TIF NOI</b>		(165,613)	104,243	164,551	115,761	835,130	889,268	732,086	776,422	822,299	869,782	918,927	969,793	1,022,438	1,076,926	1,133,321
Mortgage Payment	see note	(43,874)	(140,655)	(65,256)	(98,884)	(641,805)	(641,805)	(641,805)	(641,805)	(641,805)	(641,805)	(641,805)	(641,805)	(641,805)	(641,805)	(641,805)
<b>Additional equity</b>																
Pre-TIF Cash Flow		(4,233,237)	(209,487)	(36,412)	(1,501,768)	(1,050,471)	193,325	47,463	90,291	134,617	180,494	227,977	277,122	327,988	380,633	435,121
Equity IRR wo TIF		-4.96%														
TIF Payments		88,400	90,168	91,971	125,628	161,378	164,605	166,558	169,899	171,920	175,358	177,471	183,219	186,883	189,170	192,953
Equity IRR wo TIF		(4,233,237)	(121,087)	63,768	(1,409,787)	(924,843)	354,703	212,068	256,849	304,506	352,414	403,335	454,593	511,207	567,516	624,291

Pabst/Pandergast Project  
AREA Analysis June 3, 2009

	Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
<b>Net Income</b>		(165,613)	104,243	164,561	115,761	835,130	689,268	732,096	776,422	822,289	869,782	918,927	969,793	1,022,438	1,076,926	1,133,321
<b>Pre-TIF NOI</b>		-\$17,768,273	(165,613)	104,243	164,561	115,761	835,130	689,268	732,096	776,422	822,289	869,782	918,927	969,793	1,022,438	1,076,926
Cash on Cash IRR with out TIF		4.55%														
TIF Payments		88,400	90,188	91,971	125,628	161,378	164,605	166,558	169,889	171,920	175,958	177,471	183,219	186,883	189,170	192,953
Project Cash Flow		-\$17,768,273	(77,213)	194,411	256,622	241,389	996,508	853,873	946,311	994,219	1,045,140	1,086,398	1,153,012	1,209,921	1,285,096	1,326,274
Cash on Cash IRR with TIF		8.32%														
<b>Pre-TIF NOI</b>		(165,613)	104,243	164,561	115,761	835,130	689,268	732,096	776,422	822,289	869,782	918,927	969,793	1,022,438	1,076,926	1,133,321
Mortgage Payment		see note														
Additional equity		(4,233,237)	(209,487)	(36,412)	(1,501,768)	(1,087,348)										
Pre-TIF Cash Flow		(4,233,237)	(121,087)	53,756	(1,409,797)	(924,843)	354,703	212,068	256,849	304,506	352,414	403,335	454,593	511,207	587,516	624,291
Equity IRR without TIF		6.89%														
TIF Payments		88,400	90,188	91,971	125,628	161,378	164,605	166,558	169,889	171,920	175,958	177,471	183,219	186,883	189,170	192,953
Equity IRR with TIF		8.49%														

Note: Mortgage draws are staged over first four years and payment is interest only. The first full payment is in the fifth year.

10 year holding

<b>Pre-TIF NOI</b>		-\$17,768,273	(165,613)	104,243	164,561	115,761	835,130	689,268	732,096	776,422	822,289	869,782	918,927	969,793	1,022,438	1,076,926
TIF Payments		88,400	90,188	91,971	125,628	161,378	164,605	166,558	169,889	171,920	175,958	177,471	183,219	186,883	189,170	192,953
Project Cash Flow		-\$17,768,273	(77,213)	194,411	256,622	241,389	996,508	853,873	946,311	994,219	1,045,140	1,086,398	1,153,012	1,209,921	1,285,096	1,326,274
IRR with TIF		-0.37%														
<b>Pre-TIF NOI</b>		(165,613)	104,243	164,561	115,761	835,130	689,268	732,096	776,422	822,289	869,782	918,927	969,793	1,022,438	1,076,926	1,133,321
Mortgage Payment		see note														
Additional equity		(4,233,237)	(209,487)	(36,412)	(1,501,768)	(1,087,348)										
Pre-TIF Cash Flow		(4,233,237)	(121,087)	53,756	(1,409,797)	(924,843)	354,703	212,068	256,849	304,506	352,414	403,335	454,593	511,207	587,516	624,291
Equity IRR wo TIF		-1.99%														
TIF Payments		88,400	90,188	91,971	125,628	161,378	164,605	166,558	169,889	171,920	175,958	177,471	183,219	186,883	189,170	192,953
Equity IRR with TIF		8.49%														

10,210,304 Cap 11th year at 8%  
9,659,789 Less 5% cost of sales  
5,420,314 Less Remaining mortgage  
3,279,474

16 17 18 19 20 21 22 23 24

1,191,690	1,252,102	1,314,628	1,378,343	1,446,323	1,515,647	1,587,397	1,661,659	1,738,519
1,191,690	1,252,102	1,314,628	1,379,343	1,446,323	1,515,647	1,587,397	20,072,697	
195,333	199,240	201,715	205,749	208,325	212,492	215,171	215,171	
1,387,023	1,451,342	1,516,343	1,585,092	1,654,648	1,728,139	1,802,568	20,227,868	

\$19,316,883 24 year NOI capped at 9%  
 \$18,351,038 Less 5% cost of sal  
 3,370,235 Remaining Mortgage  
 \$14,980,802

1,191,690	1,252,102	1,314,628	1,378,343	1,446,323	1,515,647	1,587,397	1,661,659
(641,805)	(641,805)	(641,805)	(641,805)	(641,805)	(641,805)	(641,805)	(641,805)
549,885	610,297	672,823	737,538	804,518	873,842	945,592	17,284,266
195,333	199,240	201,715	205,749	208,325	212,492	215,171	215,171
745,218	809,537	874,538	943,287	1,012,843	1,086,334	1,160,753	17,499,437

195,333	199,240	201,715	205,749	208,325	212,492	215,171	216,171
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	Year Count										#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	
	1	2	3	4	5	6	7	8	9	10							
Normalized Gross Potential	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022				
Percentage Rent	46,870	414,602	577,746	634,426	1,336,425	1,383,199	1,431,611	1,481,718	1,533,578	1,587,253	1,642,807	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!
Parking Income						120,484	124,701	129,085	133,582	138,288	143,087	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!
Less Vacancy Allowance	4,236	37,378	52,086	57,196	120,484	(201,947)	(209,015)	(216,331)	(223,902)	(231,739)	(239,850)	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!
Less Lease Concessions																	
<b>Total Revenue</b>	51,204	451,980	629,832	691,622	1,456,908	1,301,736	1,347,297	1,394,452	1,443,258	1,493,772	1,546,094	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!
Property Management Expenses																	
#REF!	39,553	59,330	79,107	98,884	98,884	98,884	98,884	98,884	98,884	98,884	98,884	98,884	98,884	98,884	98,884	98,884	98,884
CAM Charges	18,086	27,144	36,192	45,240	45,240	45,240	45,240	45,240	45,240	45,240	45,240	45,240	45,240	45,240	45,240	45,240	45,240
Utilities	67,680	101,790	135,720	169,650	169,650	169,650	169,650	169,650	169,650	169,650	169,650	169,650	169,650	169,650	169,650	169,650	169,650
Real Estate Taxes	55,616	98,424	131,232	164,040	164,040	164,040	164,040	164,040	164,040	164,040	164,040	164,040	164,040	164,040	164,040	164,040	164,040
Insurance	22,620	33,930	45,240	56,550	56,550	56,550	56,550	56,550	56,550	56,550	56,550	56,550	56,550	56,550	56,550	56,550	56,550
Property Management Expenses	213,745	320,618	427,491	534,363	534,363	534,363	534,363	534,363	534,363	534,363	534,363	534,363	534,363	534,363	534,363	534,363	534,363
Net Operating Income	(162,541)	131,362	202,341	157,259	922,545	767,373	812,933	860,089	908,895	959,409	1,011,691	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!
Other Expenses																	
Interest Expense																	
#REF!																	
Building Shell Depreciator																	
TI Amortization																	
Total Other Expenses																	
Net Income	(165,613)	104,243	164,551	115,761	835,130	689,268	732,086	776,422	822,299	869,782	916,927	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!
Pre-TIF NOI	(165,613)	104,243	164,551	115,761	835,130	689,268	732,086	776,422	822,299	869,782	916,927	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!
Pre-TIF NOI	(165,613)	104,243	164,551	115,761	835,130	689,268	732,086	776,422	822,299	869,782	916,927	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!
Mortgage Payment	(43,874)	(140,855)	(65,296)	(98,884)	(641,805)	(641,805)	(641,805)	(641,805)	(641,805)	(641,805)	(641,805)	(641,805)	(641,805)	(641,805)	(641,805)	(641,805)	(641,805)
Additional equity																	
Cash Flow	(4,233,237)	(209,487)	(36,412)	(1,501,769)	(1,050,471)	193,325	47,463	90,291	134,617	180,494	227,977	277,122	#REF!	#REF!	#REF!	#REF!	#REF!
Equity IRR w/o TIF																	
Equity IRR with TIF																	
TIF Payments	88,400	90,168	91,971	125,628	161,378	164,605	168,558	169,889	171,920	175,358	177,471	183,219	186,883	188,983	189,989	190,999	191,920
Equity IRR w/o TIF																	
Equity IRR with TIF																	
With-TIF NOI	(4,233,237)	(121,087)	53,756	(1,409,797)	(924,943)	354,703	212,068	256,849	304,508	352,414	403,335	454,593	#REF!	#REF!	#REF!	#REF!	#REF!
Cash on Cash IRR																	
Cash on Cash IRR																	

\$1,907,118

3.92%



