SECOND AMENDMENT

TO THE 43RD AND MAIN

TAX INCREMENT FINANCING PLAN

TIF Commission Approval:
March 10, 2004 by Resolution No. 3-18-04

City Council Approval:
4/8/2004  040345
Date  Ordinance No.
SECOND AMENDMENT
TO THE
43RD AND MAIN
TAX INCREMENT FINANCING PLAN

I. Introduction

The Second Amendment to the 43rd and Main Tax Increment Financing Plan (the “Second Amendment”) shall amend the 43rd and Main Redevelopment Plan as approved by the Ordinance No. 980227 on March 24, 1994, and the First Amendment to 43rd & Main Redevelopment Plan by Ordinance No. 941149 on September 18, 1994 (collectively referred to herein as the “Plan”). The Second Amendment shall provide for the expansion of the boundaries as established in the Plan to include the properties in the Southmoreland neighborhoods. The expansion would allow for the Tax Increment Financing revenues generated within the redevelopment area to provide funds to facilitate grants and/or loans to residential property owners within the neighborhood for rehabilitation, repairs and improvements. The Tax Increment Financing funds would continue to be used for public infrastructure improvements within the area. The intent of the Plan remains unchanged other than those changes specifically mentioned herein.

II. Specific Plan Text Amendments

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

Amendment No. 1: Section I.A., Summary

Add as the last sentence to the first paragraph of Section I.A. the following sentence:

The Plan also provides for the establishment of a neighborhood grant and/or loan program for property owners with the Redevelopment Area to facilitate residential rehabilitation, repairs and improvements.

Amendment No. 2: Section I.B., Redevelopment Area

Delete all of Subsection B of Section I of the Plan, and insert the following in its stead:

Redevelopment Area: The Redevelopment Area is described as an area generally bounded by Kansas City & Westport Belt RR right-of-way, Baltimore Street and Main Street on the West, Gillham Road and Rockhill Road on the East, 39th and 41st Street on the North and 45th and 46th Street on the South, in Kansas City, Jackson County, Missouri, as legally described in Exhibit 1A (the “Redevelopment Area”).
Amendment No. 3: Section IX Existing Conditions

Delete the second sentence of Section IX in its entirety and insert in lieu there of the following:

The Redevelopment Area is an improved area within the boundaries of Kansas City, Missouri in which more than 77% of the structures in the five (5) census tract block groups are thirty-five (35) years or older.

III. Plan Exhibit Amendments

Amendment No. 1: Exhibit 1 Redevelopment Area Legal Description

Delete Exhibit 1, entitled “Location and Legal Description of the Redevelopment Area” and insert the attached Exhibit 1, entitled ‘Location and Legal Description of the Redevelopment Area’.

Amendment No. 2: Exhibit 2, Site Plan

Delete Exhibit 2, entitled “43rd and Main Redevelopment Area Project Area/Site Plan” and insert the attached Exhibit 2, entitled “43rd and Main Redevelopment Area Project Area/Site Plan”.

Amendment No. 3: Exhibit 8A, Conservation Area Study

Add the attached Exhibit 8A, entitled “Conservation Area Study”, as a supplement to Exhibit 8 of the Plan.

Amendment No. 4: Exhibit 9, Estimated Development Schedule

Change the date on the line “All Project Ordinances Approved by City Council” from February 2003 to March 2004 and,

Change the date on the line entitled “Redevelopment Plan Cases” from February 2023 to March 2023 and,

Add the line entitled “Housing Program” and add the date of “Spring 2004”.

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EXHIBIT 1A:  ENTIRE REDEVELOPMENT AREA LEGAL DESCRIPTION

The area is legally described as follows:

Beginning at the center line of 39th Street and center line of Main Street; thence easterly along 39th Street to center line of Gillham Road; thence southerly along said center line to West Gillham Road; thence southerly to the intersection with 45th Street; thence westerly along the center line of 45th Street to the center line of Oak Street; thence southerly along said center line to the center line of 45th Street; thence westerly along said center line to the center line of Warwick Street; thence south/southwesterly along said center line to the centerline of 46th Street; thence westerly along said center line to the east right-of-way line of Kansas City & Westport Belt Railroad right-of-way, and its easterly extension to the easterly right-of-way line of the Kansas City and Westport Belt Railroad; thence proceeding north/northwesterly along said right-of-way line to the center line of 43rd Street; thence easterly along said center line to the center line of Baltimore Avenue; thence northerly along said center line to the westerly extension of the north lot line of Lot 17, STEPHENS SMITH’S SUBDIVISION; thence easterly along the north lot line of said Lot 17 to the east lot line of Lot 18, STEPHENS SMITH’S SUBDIVISION; thence northerly along the east lot lines of Lots 18 through 22, STEPHEN SMITH’S SUDIVISION, to a point 40 feet north of the south lot line of said Lot 22; thence westerly along a line 40 feet north of and parallel to the south lot line of said Lot 22, STEPHEN SMITH’S SUBDIVISION, to the center line of Baltimore Avenue; thence north along said center line to the center line of the Vietnam Veteran’s Memorial Drive; thence easterly along said center line to the center line of Main Street; thence north along said center line to the point of beginning, now all included in a part of Kansas City, Jackson county, Missouri.
EXHIBIT 8A (Attach to Exhibit 8)

CONSERVATION AREA STUDY

43RD AND MAIN TIF DISTRICT
NORTH: 39TH STREET
SOUTH: EAST 46TH & 45TH STREETS
EAST: GILLHAM ROAD
WEST: MAIN STREET

EFFECTIVE DATE OF THE
CONSERVATION STUDY:
FEBRUARY 19, 2004
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## EXECUTIVE SUMMARY

### 43RD AND MAIN TIF DISTRICT

<table>
<thead>
<tr>
<th>Location</th>
<th>Area bounded by 39th Street on the north, Gillham Rd. on the east, 45th/46th Streets on the south and Westport RR Beltway on the west.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Effective date of the Conservation Study</td>
<td>February 19, 2004</td>
</tr>
<tr>
<td>Date of the Report</td>
<td>February 25, 2004</td>
</tr>
<tr>
<td>Conservation Area Criteria</td>
<td>The median year structure built for all the census tracts within the study area is 1958.</td>
</tr>
<tr>
<td>1) 50% or more of the structures are 35 years or older</td>
<td></td>
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</tbody>
</table>
| 2) Potential for blight | - Evidence of dilapidation of improvements  
- Vacant properties in deterioration  
- Vacant lots  
- Lack of curbs and paved driveways |
GENERAL INFORMATION

Identification of Study Area
The study area is approximately 166 acres located in the Jackson County, Kansas City area. It is described as an area generally bounded by Warwick Street on the West, Gillham Road on the East, 39th Street on the North and 45th/46th Streets on the South.

Purpose of the Study
The purpose of this conservation area study is to analyze the area and determine if the area is a conservation area as defined under the Missouri TIF Statute, Section 99.805(3).
Photographs
1. Alley way Between oak and Locust on East 41st Street

2. 4025 Locust Street, deterioration of roof and peeling paint

3. 416 E. 41st Street, broken windows and exposed back porch.

4. 416 E. 41st Street, missing support studs for porch area.

5. NE corner of 42nd & Locust Streets, vacant lot

6. 4154 Oak Street, vacant property and unsecured front door.
<table>
<thead>
<tr>
<th>Image 1</th>
<th>Image 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>![Image 1](7. 301 E. 41st Street)</td>
<td>![Image 2](8.300 E. 41st Street, unpaved driveway and deteriorating garage.)</td>
</tr>
<tr>
<td>![Image 1](9. 41st Street between Oak &amp; McGee, dilapidated garage.)</td>
<td>![Image 2](10. 4158 Oak Street, House conversion to commercial add-on frontage.)</td>
</tr>
<tr>
<td>![Image 1](11. 4000 Block of Warwick, west side)</td>
<td>![Image 2](12. 4000 Block of Warwick-east side, crowded off-street parking lot.)</td>
</tr>
<tr>
<td>13. 3952 Warwick</td>
<td>14. 40th &amp; Main, east side, limited customer and employee parking.</td>
</tr>
<tr>
<td>---------------------------------------</td>
<td>---------------------------------------------------------------------</td>
</tr>
<tr>
<td><strong>13. 40th &amp; Main, east side-northerly view, unsafe street parking.</strong></td>
<td><strong>14. 39th &amp; Main, east side-southerly view, unsafe street parking.</strong></td>
</tr>
</tbody>
</table>
CONSERVATION AREA ANALYSIS

CONSERVATION AREA

DEFINED
Section 99.805(3) R.S.MO of Missouri’s Tax Increment Financing Statute defines a “Conservation Area” as follows:

*Any improved area within the boundaries of a redevelopment area located within the territorial limits of a municipality in which fifty percent or more of the structures in the area have an age of thirty-five years or more. Such an area is not yet a blighted area but is detrimental to he public health, safety, morals, or welfare and may become a blighted area because of any one or more of the following factors: Dilapidation; obsolescence; deterioration; illegal use of individual structures; presence of structures below minimum code standards; abandonment; excessive vacancies; overcrowding of structures and community facilities; lack of ventilation, light or sanitary facilities; inadequate utilities; excessive land coverage; deleterious land use or layout; depreciation of physical maintenance; and lack of community planning. A conservation area must meet at least three of the foregoing factors for projects approved on or after December 23, 1997.*

The elements of the TIF Statute provide the basis for determining whether the Redevelopment Area constitutes a conservation area. The definition is comprised of two primary issues: (1) The 35 year age threshold for 50% or more of the structures within the Redevelopment Area, and (2) the area’s detriment to the public health, safety, morals, or welfare due to its potential for blight, as exhibited by one or more of the potentially blighting factors listed in the preceding paragraph. Throughout this report we will refer to the study area photographs included on pages 6 through 8.
ISSUE 1: IMPROVEMENT AGE
To qualify as a conservation area, at least 50% of the improvements within the study area should be at least 35 years or more, which in this case would imply that 50% of the improvements should have been built in or before 1969. The following table, obtained from Census 2000 data, indicates that the percentage of structures built within the census tracts in the study area is prior to or in 1969 is well over 50%.

<table>
<thead>
<tr>
<th></th>
<th>Block Group 1, Census Tract 67</th>
<th>Block Group 2, Census Tract 67</th>
<th>Block Group 3, Census Tract 67</th>
<th>Block Group 2, Census Tract 66</th>
<th>Block Group 3, Census Tract 66</th>
</tr>
</thead>
<tbody>
<tr>
<td>% of structures built before 1969</td>
<td>87.2%</td>
<td>93.3%</td>
<td>91%</td>
<td>87.9%</td>
<td>77%</td>
</tr>
</tbody>
</table>

U.S. Census Bureau
Census 2000

ISSUE 2: POTENTIAL BLIGHTING FACTORS
The conservation area is intended to preempt the deterioration of an area into blight in citing the potential of blight that may be exhibited by one or a combination of the 14 factors. The following is a discussion of each of the building improvements and the site improvements relative to the relevant factors observed.

FACTOR 1: DILAPIDATION
Evidence of dilapidation was evidenced throughout the study area. Significant examples of dilapidation of building improvements are represented by Photographs 3, 4 and 9.

FACTOR 2: OBsolescence
Functional obsolescence is a loss in value caused by a design problem viewed by today's standards. Common examples are outdated building components or materials, an inefficient floor plan, mechanical inadequacies, or an over-improvement for the present use. Photograph 10 is an example.

FACTOR 3: Deterioration
This factor is intended to address the level of the maintenance of the improvements, and is difficult to segregate from the conclusions under Factor 1 and Factor 13. This potential blighting factor is best posed to the building improvements that are still utilized, thus not yet dilapidated. Photograph 8 shows the need to update garage and pave the driveway.

FACTOR 4: Illegal use of Individual Structures
Photograph 12 indicates off-site parking on grass.
**Factor 5: Excessive Vacancies**
Photographs 6 and 7 indicate vacant properties that are in deterioration.

**Factor 6: Depreciation of Physical Maintenance**
 Photographs 2-4, and 13 show the depreciation of physical maintenance.

**Factor 7: Presence of Structures Below Minimum Code Standards**

**Factor 8: Abandonment**

**Factor 9: Overcrowding of Structures and Community Facilities**

**Factor 10: Lack of Ventilation, Light, or Sanitary Sewers**

**Factor 11: Inadequate Utilities**

**Factor 12: Excessive Land Coverage**

**Factor 13: Deleterious Land Use or Layout**

**Factor 14: Lack of Community Planning**