HEART OF THE CITY
NEIGHBORHOOD STABILIZATION
TAX INCREMENT FINANCING PLAN

As amended by City Council on December 22, 2016 by
Ordinance No. 160979

Originally known as
TROOST AREA
TAX INCREMENT FINANCING PLAN

KANSAS CITY, MISSOURI

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I. SUMMARY

The Troost Area Tax Increment Financing Plan (the “Plan”) provides for the demolition of blighted structures, the construction and/or renovation of approximately 100,000 square feet of commercial space (“Project Improvements”), the preservation, rehabilitation, and construction of safe residential structures, the construction of public infrastructure improvements, such as sidewalks, storm and sanitary sewer improvements, streetscape and signage, and all necessary parking, appurtenances and utilities (“Public Infrastructure Improvements”) within an area generally bound by 27th Street on the North, 47th Street on the South, Harrison Street on the East, and 71 Hwy on the West, all in Kansas City, Jackson County, Missouri (the “Redevelopment Area”). The Plan also provides for a housing improvement program and façade program for commercial structures within the Redevelopment Area.

It is anticipated that the Plan will encourage new commercial and residential development, rehabilitation of existing housing stock, rehabilitation of existing commercial structures, and construction or rehabilitation of public infrastructure. The Redevelopment Area contains one Redevelopment Project Area and, subject to the approval of subsequent amendments to the Plan, may include additional separate Redevelopment Project Areas for anticipated development.

The estimated Redevelopment Project Costs to implement Project Improvements and Public Infrastructure Improvements contemplated by the Plan are approximately $12,765,000 all of which may be reimbursed from Economic Activity Taxes (as hereafter defined). The Redevelopment Project Costs are identified on Exhibit 4A, attached to this Plan.

According to current records at the Jackson County Assessor’s Office, the total initial equalized assessed value of the areas selected for Redevelopment Projects is approximately $344,000. The current combined ad valorem property tax levy is projected to be $9.4418 per $100 assessed valuation. The 2016 annual ad valorem tax revenue from the Redevelopment Area was approximately $32,480. The total initial equalized assessed valuation of each Redevelopment Project Area will be determined prior to the time each such Redevelopment Project Area is designated by Ordinance.

Pursuant to the Act, Economic Activity Taxes and Payment in Lieu of Taxes generated and collected within Redevelopment Project Areas for a twenty-three (23) year period may be used to pay reimbursable Redevelopment Project Costs; provided however, no Payments in Lieu of Taxes deposited into the Special Allocation Fund will be used to pay or reimburse any reimbursable Redevelopment Project Costs during the time tax increment financing shall be authorized. The Payments In Lieu of Taxes generated within the Redevelopment Project Areas and deposited into the Special Allocation Fund shall be surplus and shall be remitted to the affected Taxing Districts in accordance with the Act.

The estimated Economic Activity Taxes generated within the Redevelopment Project Areas subject to appropriation by the City Council, that will be available to the pay reimbursable Redevelopment Project Costs are approximately $12,765,000.
Upon the reimbursement of all reimbursable Redevelopment Project Costs, any remaining Economic Activity Taxes, subject to Section 99.850 RSMo., shall be declared surplus and remitted to the affected Taxing Districts, in accordance with the Act.
DEFINITIONS

As used in this Redevelopment Plan, the following terms shall have the following meanings:


B. “Administrative Expenses” shall have the meaning set forth in Section IV.A. of the Plan.

C. “City,” City of Kansas City, Missouri.


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

F. “Economic Activity Taxes” or “EATs”, fifty percent (50%) of the total additional revenue from taxes which are imposed by the City and other Taxing Districts, and which are generated by economic activities within the Redevelopment Project Area over the amount of such taxes generated by economic activities within the Redevelopment Project Area in the calendar year prior to the adoption of the ordinance designating the Redevelopment Project Area, while tax increment financing remains in effect but excluding personal property taxes, taxes imposed on sales or charges for sleeping rooms paid by transient guests of hotels and motels, taxes levied pursuant to section 70.500, taxes levied for the purpose of public transportation pursuant to section 94.660, taxes imposed on sales pursuant to subsection 2 of section 67.1712 for the purpose of operating and maintaining a metropolitan park and recreation district, licenses, fees or special assessments other than payments in lieu of taxes and penalties and interest thereon, any sales tax imposed by a county with a charter form of government and with more than six hundred thousand but fewer than seven hundred thousand inhabitants, for the purpose of sports stadium improvement or levied by such county under
section 238.410 for the purpose of the county transit authority operating transportation facilities, or for redevelopment plans and projects adopted or redevelopment projects approved by ordinance after August 28, 2013, taxes imposed on sales under and pursuant to section 67.700 or 650.399 for the purpose of emergency communication systems, shall be allocated to, and paid by the local political subdivision collecting officer to the treasurer or other designated financial officer of the municipality, who shall deposit such funds in a separate segregated account within the special allocation fund. If the voters in a taxing district vote to approve an increase in such taxing district's sales tax or use tax, other than the renewal of an expiring sales or use tax, any additional revenues generated within an existing redevelopment project area that are directly attributable to the newly voter-approved incremental increase in such taxing district's levy rate shall not be considered economic activity taxes subject to deposit into a special allocation fund without the consent of such taxing district.

G. “Gambling Establishment,” an excursion gambling boat as defined in Section 313.800, RSMo., and any related business facility including any real property improvements which are directly and solely related to such business facility, whose sole purpose is to provide goods or services to an excursion gambling boat and whose majority ownership interest is held by a person licensed to conduct gambling games on an excursion gambling boat or licensed to operate an excursion gambling boat as provided in Sections 313.800 to 313.850, RSMo.

H. “Obligations,” bonds, loans, debentures, notes, special certificates, or other evidences of indebtedness issued by the City, Commission or by any other appropriate issuer, approved by the Commission, to pay or reimburse all or any portion of the Redevelopment Project Costs or to otherwise carry out a redevelopment project or to fund outstanding Obligations.

I. “Ordinance,” an ordinance enacted by the governing body of the City.

J. “Payment in Lieu of Taxes” or “PILOTs,” those estimated revenues from real property in each Redevelopment Project Area, which revenues according to the Plan are to be used for a private use, which Taxing Districts would have received had the City not adopted tax increment allocation financing, and which would result from levies made after the time of the adoption of tax increment allocation financing during the time the current equalized value of real property in the Redevelopment Project Area exceeds the total initial equalized value of real property in such area until the designation is terminated pursuant to subsection 2 of Section 99.850. Payments in lieu of taxes which are due and owing shall constitute a lien against the real estate located within the Redevelopment Project Area from which they are derived, the lien of which may be foreclosed in the same manner as a special assessment lien as provided in Section 88.861 RSMo.
K. “Project Improvements,” the construction or renovation of approximately 100,000 square feet of commercial space.

L. “Public Infrastructure Improvements,” those development activities undertaken within the Redevelopment Area intended to accomplish the objectives of the Redevelopment Plan, which include sidewalks, storm sewer improvements, streetscape and signage, as more particularly described by Section III.C. of the Plan.

M. “Redeveloper,” the business organization or other entity that enters into the Redevelopment Agreement with the Commission for the purpose of implementing the Redevelopment Plan, or a portion thereof.

N. “Redevelopment Agreement,” the agreement between the Commission and Redeveloper for the implementation of the Redevelopment Plan or a portion thereof.

O. “Redevelopment Area,” the real property legally described on Exhibit 1A.

P. “Redevelopment Plan” or “Plan,” The Troost Area Tax Increment Financing Plan.

Q. “Redevelopment Project Area” the area selected for the Redevelopment Project that is described in Section IIIB. of the Plan and Exhibit 1B, and as may be modified from time to time by an Ordinance passed by the City Council of the City.

R. “Redevelopment Project Costs” include the sum total of all reasonable, necessary, or incidental costs to the Redevelopment Plan and/or Redevelopment Project that are incurred or estimated to be incurred in an amount not to exceed Twelve Million, Seven Hundred Sixty-Five Thousand and no/100 Dollars ($12,765,000). Such costs are identified on Exhibit 4A, attached hereto.

S. “Redevelopment Projects,” the redevelopment projects located within the Redevelopment Area, described by Section III. B. of the Plan, designated as such by Ordinance and intended to further the objectives of the Redevelopment Plan.

T. “Special Allocation Fund,” the fund maintained by the City or the Commission, which contains at least two (2) separate segregated accounts for the Redevelopment Project, maintained by the treasurer of the City or the treasurer of the Commission into which Payments in Lieu of Taxes, Economic Activity Taxes and other revenues are deposited.

U. “Tax Increment Financing,” tax increment allocation financing as provided pursuant to Chapter 99.800, et seq. RSMo.
V. “Taxing Districts,” any political subdivision of Missouri located wholly or partially within the Redevelopment Project Area having the power to levy taxes.

II. TAX INCREMENT FINANCING

This Plan is adopted pursuant to the Act. The Act enables municipalities to finance Redevelopment Project Costs with the revenue generated from Payment in Lieu of Taxes and Economic Activity Taxes.

III. GENERAL DESCRIPTION OF PLAN AND PROJECT.

A. The Redevelopment Plan. The Plan contemplates the demolition blighted structures, the construction and/or renovation of approximately 100,000 square feet of commercial space (“Project Improvements”) the preservation, rehabilitation, and construction of safe residential structures, and the construction of public infrastructure improvements, such as sidewalks, storm and sanitary sewer improvements, streetscape and signage, and all necessary parking, appurtenances and utilities as well as a housing improvement program and façade program for commercial structures. The parameters of the housing program will be based upon and administered in a fashion similar to other TIF sponsored housing programs, primarily the Rehabilitation of Midtown Properties Program (RAMP) of the Midtown Tax Increment Financing Plan. The Commission will continue to work with the City Planning and Development Department, the neighborhoods and their representatives to define the program to address the needs of the neighborhoods.

It is anticipated that the Plan will encourage new commercial and residential development, rehabilitation of existing housing stock, rehabilitation of existing commercial structures, and construction or rehabilitation of public infrastructure. Initially, the Redevelopment Area will contain one Redevelopment Project Area and, subject to the approval of subsequent amendments to the Plan, may include additional separate Redevelopment Project Areas for anticipated development.

B. Redevelopment Area. The Redevelopment Area will consist of approximately 1,000 acres and is generally bound by 27th Street on the North, 47th Street on the South, Harrison Street on the East, and 71 Hwy on the West, all in Kansas City, Jackson County, Missouri, as legally described on Exhibit 1A, attached hereto (the “Redevelopment Area”). The legal descriptions of the Redevelopment Project Areas are set forth on Exhibit 1B, attached hereto (the “Redevelopment Project Areas”).

C. The Project Improvements and Public Infrastructure Improvements. A Site Plan generally depicting the location of the Project Improvements and Public Infrastructure Improvements within and adjacent to the Redevelopment Area is attached as Exhibit 2. Such Project Improvements and Public Infrastructure
Improvements shall include streetscape improvements, traffic safety improvements, curbs and sidewalks, and parks.

D. Redevelopment Projects. It is anticipated that the Redevelopment Project, and by virtue of subsequent amendments to the Plan, any additional Redevelopment Projects, will include the construction and renovation of commercial uses, the preservation, rehabilitation, and construction of safe residential structures, and related public infrastructure improvements to support such development.

E. Estimated Date of Completion. The estimated date for completion for the Project Improvements and Public Infrastructure Improvements is 2039. The schedule for construction is set forth on Exhibit 4B.

The completion of the Project Improvements and Public Infrastructure Improvements within and adjacent to the Redevelopment Area and the retirement of Obligations (if any) incurred to finance the Redevelopment Project Costs will occur no later than twenty-three (23) years from the adoption of the ordinance approving the last approved Redevelopment Project.

In no event shall any ordinance approving a Redevelopment Project be passed by the City later than ten (10) years from the passage of the ordinance approving this Redevelopment Plan.

F. Redevelopment Plan Objectives. The specific objectives of the Redevelopment Plan are set forth on Exhibit 3, attached hereto.

G. Gaming Status. The Redevelopment Plan does not include the initial development or redevelopment of any Gambling Establishment.

H. Advisory Committee. An advisory committee consisting of representatives of elected officials, neighborhoods and city staff will provide recommendations to the Commission. The Commission will consider the composition of the committee at a later date.

I. Annual Report. The Commission will require a yearly plan progress report to be made to the Commission.

IV. FINANCING

A. Estimated Redevelopment Project Costs. The total cost to implement the Project Improvements and Public Infrastructure Improvements, which will be dedicated to the City upon completion, is estimated to be $12,765,000. The Redevelopment Project Costs, all of which are eligible for reimbursement, are estimated to be $12,765,000 and are identified on Exhibit 4A, attached hereto.
The Commission and City have determined that certain planning and special services expenses of the Commission and City (“Administrative Expenses”), which are not direct Redevelopment Project Costs, are nonetheless reasonable and necessary for the administration of the Plan by the City and Commission and are incidental costs to the Plan. The incidental costs will be recovered by the Commission and City from the Special Allocation Fund in an amount not to exceed 5% of Economic Activity Taxes paid annually into the Special Allocation Fund.

B. **Anticipated Sources of Funds.** It is anticipated that Economic Activity Taxes will be used to fund the Project Improvements and Public Infrastructure Improvements. Additional funding sources may be identified at such time additional Project Improvements and Public Infrastructure Improvements are identified. Anticipated sources and amounts of funds to pay Redevelopment Project Costs are shown on Exhibit 6 and in the information contained in Exhibit 10, “Evidence of Financing Interest.”

If Obligations are issued, the proceeds will be deposited in a construction/project fund and used to pay Redevelopment Project Costs, in accordance with the Redevelopment Agreement and the documents prepared and executed in connection with the issuance and sale of such Obligations.

C. **Payments in Lieu of Taxes.** No PILOTs shall be utilized to pay or reimburse Redevelopment Project Costs. All PILOTs shall be deemed surplus and shall be distributed to the affected Taxing Districts located wholly or partially within the Redevelopment Project Area in accordance with the Act.

D. **Economic Activity Taxes.** The projected Economic Activity Taxes to be deposited in the Special Allocation Fund, in accordance with the Act, during the time Tax Increment Financing remains in effect, with respect to the Redevelopment Project Area, is $12,765,000 as shown in Exhibit 5, attached hereto, all of which will be made available, upon annual appropriation by the City, to pay eligible Redevelopment Project Costs, in accordance with the Redevelopment Agreement.

Available Anticipated Economic Activity Taxes to pay Redevelopment Project Costs will include 50% of all such taxes permitted under the Act to be captured, including the net earnings taxes paid by businesses and employees within the Redevelopment Project Area, 50% of the City and County sales taxes within the Redevelopment Project Area and 50% of the net utility taxes generated within the Redevelopment Project Area. It is assumed that net earnings and sales tax revenues will increase due to inflation in addition to the assumed increases due to job creation and business expansion.

The amount of Economic Activity Taxes in excess of the funds necessary to fund Redevelopment Project Costs, if any, shall be declared as surplus by the City in
accordance with Section 99.850 RSMo. The declared surplus will be available for distribution to the Taxing Districts located wholly or partially within the Redevelopment Project Area in accordance with Section 99.850 RSMo.

All affected businesses and property owners located within the Redevelopment Project Area and any additional Redevelopment Project Areas established by a subsequent amendment to the Plan, at the time such Redevelopment Project Areas are designated by an Ordinance passed by the City Council of the City, shall be identified by the Redeveloper and the Redeveloper shall provide the Commission with such identifying documentation described by the Commission’s Economic Activity Tax Documentation and Collection Policy (the “EATS Documentation”). The Commission shall provide the City with the EATS Documentation related to each business located within the Redevelopment Project Area. Based upon such EATS Documentation, the City shall determine the “base year” and the annual amount of the Economic Activity Taxes generated within the Redevelopment Project Area and, subject to City Council approval, shall thereafter appropriate such funds into the Special Allocation Fund, no less frequently than semi-annually and no more frequently than quarterly, in accordance with the Act.

E. Anticipated Type and Terms of Obligations. In the event Obligations are issued, the Plan intends that these Obligations shall be secured by Economic Activity Taxes generated within the Redevelopment Project Areas. Additionally, it is estimated that Economic Activity Taxes must equal not less than 125% of the annual debt service payments required for the retirement of the Obligations. Economic Activity Taxes received in excess of 100% of funds necessary for the payment of principal and interest on the Obligations may be used for debt service reserves, unpaid Redevelopment Project Costs, to redeem Obligations in advance of their maturities or declared surplus. Obligations may be sold in one or more series in order to implement this Plan. All Obligations shall be retired no later than twenty-three (23) years after the adoption of the Ordinance adopting tax increment financing for the last approved Redevelopment Project. No Redevelopment Project identified at the time the Plan is approved and located within the Redevelopment Area may be approved by an Ordinance more than ten years from the adoption of the Ordinance approving the Redevelopment Plan.

F. Evidence of Commitments to Finance. Commitments for any private financing of Redevelopment Project Costs necessary to complete the Public Infrastructure Improvements shall be submitted for approval to the Commission prior to the approval of any Ordinance approving a Redevelopment Project. Evidence of commitments to finance Redevelopment Project Costs is attached as Exhibit 10.
V. MOST RECENT EQUALIZED ASSESSED VALUATION

According to current records at the Jackson County Assessor’s Office, the total initial equalized assessed value of the areas selected for Redevelopment Projects is approximately $344,000. The current combined ad valorem property tax levy is projected to be $9.4418 per $100 assessed valuation. The 2016 annual ad valorem tax revenue from the Redevelopment Area was approximately $32,480. The total initial equalized assessed valuation of each Redevelopment Project Area will be determined prior to the time each such Redevelopment Project Area is designated by Ordinance.

VI. ESTIMATED EQUALIZED ASSESSED VALUATION AFTER REDEVELOPMENT

When the Project Improvements and Public Infrastructure Improvements, together with all real property located within the Redevelopment Project Areas that is supported by such Project Improvements have been completed, the total assessed valuation of the Redevelopment Area is estimated to be $419,334. The estimated increase in assessed valuation is shown on Exhibit 5 of the Plan.

VII. GENERAL LAND USE

The Redevelopment Plan identifies properties within the Redevelopment Areas that may be redeveloped for commercial, institutional, and retail uses. The Redevelopment Projects shall be subject to the applicable provisions of the City’s Zoning Ordinance as well as other codes and ordinances as may be amended from time to time.

VIII. CONFORMANCE TO THE COMPREHENSIVE PLAN

The Plan conforms to the Heart of the City, Greater Downtown, and Midtown/Plaza area plans. The plan area is a mixture of single family, multifamily, and commercial uses.

IX. EXISTING CONDITIONS IN THE REDEVELOPMENT AREA

The Redevelopment Area qualifies as a Conservation Area as defined by the Act. A Conservation Study undertaken by Integra Realty Resources, attached as Exhibit 9, provides evidence that fifty percent (50%) or more of the structures in the Redevelopment Area have an age of thirty-five (35) years or more and that a preponderance of the Redevelopment Area contains depreciation of physical maintenance, obsolescence and a lack of community planning, which are detrimental to public health, safety, morals or welfare.

X. “BUT FOR TIF”

The Redevelopment Area has not been subject to growth and development through investment by private enterprise as demonstrated, in part, by the Conservation Area Study, attached as Exhibit 9 and would not reasonably be anticipated to be developed without the
adoption of tax increment financing due to the substantial costs of the Project Improvements and Public Infrastructure Improvements.

XI. COST BENEFIT ANALYSIS

The cost benefit analysis, attached hereto as Exhibit 7, shows the economic impact of this Plan on each Taxing District. The analyses include a fiscal impact study on every Taxing District, and sufficient information to evaluate whether this Plan as proposed is financially feasible.

XII. ACQUISITION AND DISPOSITION

The Commission and/or the City, pursuant to Sections 99.810(3) and 99.820(3), RSMo, may acquire property by purchase, donation, lease or eminent domain in the manner provided for by corporations in Chapter 523, RSMo. The property acquired by the Commission and/or City may be cleared, and either (1) sold or leased for private redevelopment or (2) sold, leased, or dedicated for construction of public improvements or facilities. No property located within a Redevelopment Project Area shall be acquired by eminent domain later than five (5) years from adoption of the Ordinance designating such Redevelopment Project Area.

Eminent Domain is not currently contemplated in the Plan and will require further amendment to become available.

XIII. RELOCATION ASSISTANCE PLAN

Relocation assistance will be available to all eligible displaced occupants in conformance with the Commission’s Relocation Assistance Plan as shown in Exhibit 11 or as may be required by other state or federal laws. Any relocation will be at the expense of the Redeveloper. It is not anticipated that any occupants located within the Redevelopment Area will be displaced as a result of the implementation of this Plan.

XIV. ENHANCED ENTERPRISE ZONE

Pursuant to section 135.963(7) RSMo, the property tax abatement referred to in the Enhanced Enterprise Zone Act shall not relieve the assessor or other responsible official from ascertaining the amount of the equalized assessed value of all taxable property annually as required by section 99.855 and shall not have the effect of reducing the payments in lieu of taxes referred to in subdivision (2) of subsection 1 of section 99.845 unless such reduction is set forth in the plan approved by the governing body of the municipality pursuant to subdivision (1) of subsection 1 of section 99.820, section 99.942, or section 99.1027. By adoption of this Plan, Payments in Lieu of Taxes (if any) shall be reduced by the tax abatement referred to in the Enhanced Enterprise Zone Act, provided, however, such reduction shall not exceed 50% of the amount of Payments in Lieu of Taxes generated by each Redevelopment Project Area during any ten-year period, while tax increment financing remains in effect.
XV. PROVISION OF PUBLIC FACILITIES

Redeveloper will cause all necessary public facilities and utilities be provided to service the Redevelopment Area.

XVI. REDEVELOPMENT AGREEMENT

Upon approval of this Plan, the Commission and Redeveloper will enter into a Redevelopment Agreement, which will include, among other things, provisions relative to the following:

1. Implementation of the Plan;
2. Reporting of Economic Activity Taxes;
4. The Commission’s Relocation Plan;
5. Certification and approval by Commission of Redevelopment Project Costs;
6. Certification of Costs and Reimbursement Policy or Review, Approval and Direct Pay Policy;
7. Certificate of Completion and Compliance Policy;
8. Parameters for the issuance of Obligations;
9. Interest Policy;
10. Annual Progress Reporting;
11. Procedures for the Payment of Prevailing Wages; and
12. Environmental Policy.

XVII. PROVISIONS FOR AMENDING THE PLAN

This Redevelopment Plan and each Redevelopment Project may be amended pursuant to the provisions of the Act, except in the event that there are minor inaccuracies contained within this Redevelopment Plan or any Exhibit attached hereto, and such inaccuracies do not alter the substance of the Redevelopment Plan or a Redevelopment Project, the City Council of the City authorizes the Commission to approve and correct such inaccuracies and to execute any required instruments and to make and incorporate such amendment or change to this Redevelopment Plan or any Exhibit attached hereto.
EXHIBIT 1:

1A. LEGAL DESCRIPTION

All that certain real property, situate in Kansas City, Jackson County, Missouri, described as follows:

Beginning at the intersection of the centerlines of Harrison Street and East 27th Street, thence east along the centerline of East 27th Street to the intersection of the centerlines of East 27th Street and Bruce R. Watkins Drive; thence south along the centerline of Bruce R. Watkins Drive to the intersection of the centerlines of Bruce R. Watkins Drive and East 47th Street; thence west along the centerline of East 47th Street to the intersection of the centerlines of East 47th Street and Harrison Street; thence north along the centerline of Harrison Street to the intersection of the centerlines East 34th Street and Harrison Street; thence west along the centerline of East 34th Street to the intersection of the centerlines of East 34th Street and Harrison Street; thence north along the centerline of Harrison Street to the intersection of the centerlines of East 33rd Street and Harrison Street; thence west along the centerline of East 33rd Street to the intersection of the centerlines of East 33rd Street and Harrison Street; thence north along the centerline of Harrison Street to the intersection of the centerlines of Linwood Boulevard and Harrison Street; thence east along the centerline of Linwood Boulevard to the intersection of the centerlines of Linwood Boulevard and Harrison Street; thence north along the centerline of Harrison Street to the point of beginning of point of beginning, containing 1001.5 acres of land, more or less.
1B. PROJECT AREAS - LEGAL DESCRIPTION

Project Area 1

Tract 15
Lots 5, 6, 7 and 8, BEACON HILL PLACE, a subdivision in Kansas City, Jackson County, Missouri.

Tract 16
Lots 1 and 2 and the North 28 feet of Lot 3, Block 13, BEACON HILL ANNEX, a subdivision in Kansas City, Jackson County, Missouri.

Tract 17
Lot 12, except the South 40 feet thereof, Block 13, BEACON HILL ANNEX, a subdivision in Kansas City, Jackson County, Missouri.

Tract 18
The South 50 feet of Lot 13, Block 13, BEACON HILL ANNEX, a subdivision in Kansas City, Jackson County, Missouri.

Tract 19
Lot 14 and the North 9 feet of Lot 13, Block 13, BEACON HILL ANNEX, a subdivision in Kansas City, Jackson County, Missouri.

Tract 20
All of that part of Block 13, CONTINUATION OF BEACON HILL, a subdivision in Kansas City, Jackson County, Missouri, according to the recorded plat thereof, described as follows: Beginning at the southwest corner of the intersection of 29th Street and Forest Avenue in said city, thence South along the West line of Forest Avenue 67.61 feet; thence West and parallel with the South line of 29th Street 152.5 feet; thence North and parallel with the West line of Forest Avenue 67.61 feet to the South line of 29th Street; thence East along the South line of 29th Street 152.5 feet to the place of beginning.

Tract 21
The South 50 feet of the North 117.61 feet of the East 152.5 feet of Block 13, CONTINUATION OF BEACON HILL, a subdivision in Kansas City, Jackson County, Missouri.

Tract 22
The South 50 feet of the North 167.61 feet of the East 152.5 feet of Block 13, CONTINUATION OF BEACON HILL, a subdivision in Kansas City, Jackson County, Missouri.

Tract 23
The South 50 feet of the North 217.61 feet of the East 152.50 feet of Block 13, CONTINUATION OF BEACON HILL, a subdivision in Kansas City, Jackson County, Missouri.
EXHIBIT 2:
Maps
EXHIBIT 2: Map

A. REDEVELOPMENT PLAN

HEART OF THE CITY TIF PLAN
EXHIBIT 2: Map

B: REDEVELOPMENT PROJECT AREA

HEART OF THE CITY TIF PLAN
EXHIBIT 3:

Specific Objectives of the Redevelopment Plan

1. To construct public infrastructure within the Plan area that will promote development within and around the Plan area, which may include façade improvements, sidewalks, storm and sanitary sewer improvements, streetscape and signage, parking appurtenances and utilities.
2. Create opportunities for competitive private investment and business development within and around the Plan Area.
3. To enhance the tax base by promoting development of the Redevelopment Plan Area to its highest and best economic use, benefit taxing districts and encourage private investment within the Plan area and surrounding areas.
4. To stimulate construction and employment opportunities and increase demand for secondary and support services for the surrounding areas.
5. To preserve, rehabilitate and construct safe residential structures.
EXHIBIT 4:

A. Estimated Redevelopment Costs

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Infrastructure and Improvements</td>
<td>$4,427,500.00</td>
</tr>
<tr>
<td>Housing Programs</td>
<td>$5,060,000.00</td>
</tr>
<tr>
<td>Commercial Façade and Improvements Program</td>
<td>$2,530,000.00</td>
</tr>
<tr>
<td>Admin Costs</td>
<td>$632,500.00</td>
</tr>
<tr>
<td>Total Budget</td>
<td>$12,765,000.00</td>
</tr>
</tbody>
</table>
EXHIBIT 4:

B. Redevelopment Schedule.

Development schedule: The following is an estimated development schedule:

<table>
<thead>
<tr>
<th></th>
<th>Start Date</th>
<th>End Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Housing Rehab Program</td>
<td>Fall/Winter 2017</td>
<td>2039</td>
</tr>
<tr>
<td>New Housing Construction Program</td>
<td>Fall/Winter 2017</td>
<td>2039</td>
</tr>
<tr>
<td>Façade Improvement Program</td>
<td>Fall/Winter 2017</td>
<td>2039</td>
</tr>
<tr>
<td>Public Improvements</td>
<td>tbd</td>
<td>2039</td>
</tr>
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</table>
**EXHIBIT 5:**

Estimated Annual Increases in Assessed Value and Projected Economic Activity Taxes

<table>
<thead>
<tr>
<th>Project 1</th>
<th>Assessed Value*</th>
<th>EATS</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>$344,000</td>
<td>$555,000</td>
</tr>
<tr>
<td>2018</td>
<td>$344,000</td>
<td>$555,000</td>
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<tr>
<td>2019</td>
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<td>$555,000</td>
</tr>
<tr>
<td>2020</td>
<td>$350,880</td>
<td>$555,000</td>
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<tr>
<td>2021</td>
<td>$357,898</td>
<td>$555,000</td>
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<tr>
<td>2022</td>
<td>$357,898</td>
<td>$555,000</td>
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<tr>
<td>2023</td>
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<tr>
<td>2024</td>
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<tr>
<td>2025</td>
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<tr>
<td>2039</td>
<td>$419,334</td>
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*Figures include 2% biannual increase*
EXHIBIT 6
PROJECTED SOURCES AND USES OF FUNDS
SOURCES AND USES OF FUNDS
FOR
ALL ESTIMATED REDEVELOPMENT PROJECT COSTS

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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<tbody>
<tr>
<td>EATs</td>
<td>$12,765.000</td>
</tr>
<tr>
<td>Amount of Reimbursable Costs from Economic Activity Taxes</td>
<td>$12,765.000</td>
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<tr>
<td>TOTAL</td>
<td></td>
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</tbody>
</table>

**BONDS.** The total estimated amount of Economic Activity Taxes during the period Tax Increment Financing is authorized and available to fund reimbursable Redevelopment Project Costs and Administrative Costs in the Act is approximately $12,765.000. The Commission may dedicate part or these entire amounts to help support the issuance of bonds.

**OTHER SOURCES.** The establishment of this Plan is intended to promote economic development within and adjacent to the Redevelopment Area. To that end, the Plan envisions attraction of other funding, both public and private, sources to enhance funding provided through the TIF Plan.
EXHIBIT 7:
Cost Benefit Analysis
## Cost-Benefit Summary - 23-year analysis

Per-capita impacts calculated at 100% of total average revenues and costs.

<table>
<thead>
<tr>
<th>Benefits</th>
<th>City of Kansas City</th>
<th>Jackson County</th>
<th>Mental Health Fund</th>
<th>ETAS</th>
<th>Blind Pension Fund</th>
<th>Kansas City Public Library</th>
<th>Kansas City Zoo District</th>
<th>Kansas City Public Schools</th>
<th>Metro Community Colleges</th>
<th>State of Missouri</th>
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<tbody>
<tr>
<td>Sales Taxes:</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
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<tr>
<td>Property Taxes:</td>
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<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
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<tr>
<td>Income Taxes:</td>
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<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
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<tr>
<td>Other Revenues:</td>
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<td>$ -</td>
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<tr>
<td>Total Revenues:</td>
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<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
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<tr>
<td>Costs for Services:</td>
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<td>$ -</td>
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<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>Total Costs:</td>
<td>$ 12,765,000</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
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<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
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</tr>
<tr>
<td>Net Cost/Benefit</td>
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<td></td>
<td></td>
<td></td>
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<td></td>
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<tr>
<td>Public Benefits:</td>
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<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
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<td>$ -</td>
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<tr>
<td>Public Costs &amp; Incentives:</td>
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<td>$ -</td>
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<td>$ -</td>
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<tr>
<td>Net Benefits (Costs):</td>
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<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
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<tr>
<td>Present Value of Public Benefits:</td>
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<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>Present Value of Incentives:</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
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</tbody>
</table>

### Cost-Benefit Ratio:

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<th></th>
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<th>0.00</th>
<th>0.00</th>
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<th>0.00</th>
<th>0.00</th>
<th>0.00</th>
<th>0.00</th>
<th>0.00</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Payback Period for Incentives:</strong></td>
<td>&gt;30 years</td>
<td>24 Years</td>
<td>24 Years</td>
<td>24 Years</td>
<td>24 Years</td>
<td>24 Years</td>
<td>24 Years</td>
<td>24 Years</td>
<td>24 Years</td>
</tr>
<tr>
<td><strong>Compound Rate of Return:</strong></td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
</tbody>
</table>

### Taxing Authority

<table>
<thead>
<tr>
<th>Taxing Authority</th>
<th>Public Benefits</th>
<th>Public Costs &amp; Incentives</th>
<th>Net Benefits (Costs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>City of Kansas City</td>
<td>0</td>
<td>12,765,000</td>
<td>(-12,765,000)</td>
</tr>
<tr>
<td>Jackson County</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Mental Health Fund</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>ETAS</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Blind Pension Fund</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Kansas City Public Library</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Kansas City Zoo District</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Kansas City Public Schools</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Metro Community Colleges</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>State of Missouri</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>
EXHIBIT 8:
Evidence of “But For”
CITY MANAGER’S AFFIDAVIT

STATE OF MISSOURI )
COUNTY OF JACKSON ) ss.

1. I, Troy Schulte, am the City Manager of the City of Kansas City, Missouri, a constitutional charter city and political subdivision duly organized and validly existing under the laws of the State of Missouri (the "City") and I am authorized to provide this affidavit on behalf of the City.

2. I am charged with the responsibility of submitting an Annual Budget to the Mayor of the City (the "Mayor"), which shall include, at a minimum, the following:

   a. **Revenues**: An itemized statement of estimated revenues to be realized in cash from all sources for the year which the budget is to cover, together with a comparative statement of estimated cash receipts for the current fiscal year and actual cash receipts for the two fiscal years next preceding the current fiscal year.

   b. **Appropriation**: An itemized statement of appropriations, which is based, in part, on requests for appropriation from the head of each department under the City Manager, for the ensuing year, with a comparative statement of estimated expenditures for the current fiscal year and actual expenditures for the two fiscal years next preceding the current fiscal year.

   c. **Additional information**: Such other information as may be required by the Mayor and the City Council of the City (the "Council").

3. The Mayor shall transmit to the City Council the Annual Budget prepared by the City Manager, with any comments of the Mayor.

4. Upon receipt of the Annual Budget, the Council shall review the Annual Budget to determine the need for the expenditures requested and the adequacy, reliability and propriety of estimated revenues.

5. The Council shall, by ordinance, adopt the Annual Budget, which shall itemize the purposes of expenditure by departments, activities, functions, and character classes in not less detail than personal services, contractual services, commodities and capital outlays, and as adopted shall constitute an appropriation for the purposes stated of the sums therein set forth as appropriation and authorization of the amount to be raised by taxation for the purposes of the City, provided that the total amount appropriated shall not in any event exceed the total revenues estimated to be realized in cash during such year, plus any unencumbered balance from previous years.

6. The Council has not adopted an Annual Budget which contemplates, and no department director has requested or indicated any intent to request an appropriation for the financing of the public improvements, as described in and contemplated by the Troost Area TIF Plan, within the 2018 Annual Budget.

{File: EDCKC/60/ADM/ADMST/59/00191253.DOC /}
7. The undersigned acknowledges and agrees that this Affidavit is being materially relied upon by the Tax Increment Financing Commission of Kansas City, Missouri (the "Commission") in connection with its consideration of the Troost Area TIF Plan. It is reasonable for the Commission to conclude that the public improvements, as described in and as contemplated by the Troost Area TIF Plan would not be undertaken without the use of tax increment allocation financing.

The information, statements and averments in this Affidavit are, to the best of my knowledge and belief, true, accurate and complete in all material respects.

(SEAL)

ATTEST:

CITY OF KANSAS CITY, MISSOURI

By: [Signature]

Troy Schulte, City Manager

By: [Signature]

City Clerk

Approved as to form:

By: [Signature]

Assistant City Attorney
EXHIBIT 9:
Conservation Study
(copy attached)
Conservation Study

Troost Area TIF Plan

27th Street on the north to 47th Street on the south and
Harrison Street on the west to Bruce R. Watkins Drive on the east
Kansas City, Jackson County, Missouri

Prepared For:
Tax Increment Financing Commission of Kansas City, Missouri

Effective Date of the Conservation study:
November 18, 2016

Conservation Study Report

IRR - Kansas City
File Number: 119-2016-0546
Troost Area TIF Plan
27th Street on the north to 47th Street on the south and Harrison Street on the west to Bruce R. Watkins Drive on the east
Kansas City, Missouri
November 29, 2016

Heather Brown
Executive Director
Tax Increment Financing Commission of Kansas City, Missouri
1100 Walnut, Suite 1700
Kansas City, Missouri 64106

STUDY AREA: Market Condition Conservation study
Troost Area TIF Plan
27th Street on the north to 47th Street on the south and Harrison Street on the west to Bruce R. Watkins Drive on the east
Kansas City, Jackson County, Missouri
IRR - Kansas City File No. 119-2016-0546

Dear Ms. Brown:

Integra Realty Resources – Kansas City is pleased to submit the accompanying conservation study report of the referenced property. The purpose of the conservation study is to develop and report our opinion as to whether the conditions of the area to be included within the Troost Area TIF Plan described above are detrimental to public health, safety, morals, or welfare and may cause the area to become blighted due to the presence of certain factors described by 99.805(3) RSMo. Our findings demonstrate that fifty percent (50%) or more of the structures in the study area have an age of thirty-five (35) years or more and that a preponderance of the study area has certain blighting factors described by 99.805(3) that are detrimental to public health, safety, morals, or welfare. The client for the assignment is Tax Increment Financing Commission of Kansas City, Missouri, and the intended use is to assist the client in establishing certain statutory findings in connection with the approval of the Troost Area TIF Plan.

This conservation study area is comprised of 4,279 separately identified tax parcels as per the Kansas City, Missouri Planning Department. These tax parcels comprise 4,125 street addresses. The study area spans 40 blocks north to south from 27th to 47th and ten blocks east to west from Harrison to Bruce R. Watkins Drive, straddling The Paseo. The study area includes numerous vacant parcels. The improved parcels total 2,739 and are primarily single
family and multifamily and commercial improvements along Troost. The study area totals 781 acres excluding public streets.

The conservation study is intended to conform with the Uniform Standards of Professional Appraisal Practice (USPAP), the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute, applicable state appraisal regulations.

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

Based on the analysis in the accompanying report, and subject to the definitions, assumptions, and limiting conditions expressed in the report, our opinion is summarized as follows:

- Over 50% of the structures in the study area have an age of thirty-five years or more. We estimate that to be 89% of the 2,739 improved properties.

In identifying that more than 50% of the structures in the study area are in excess of thirty five years of age, we qualify that the study may proceed. A summary of our findings by factor are shown below:

- Approximately 18% of the structures in the study area demonstrate dilapidation. This is more severe than either deterioration or depreciation of physical maintenance as noted below and any property determined to be dilapidated by our observation will also qualify with deterioration and depreciation.

- It is our opinion that all of the improved properties in the study area except those with national credit tenants (Walgreens, CVS, Kentucky Fried Chicken, and Burger King) experience either functional or external obsolescence, and in some instances, both functional and external obsolescence. This is not discussed and determined for each improved property within the study area, but discussed in our evaluation of the entire area.

- Deterioration is a factor that we considered tied to the age of the property. We have identified in our inspection of the study area that deterioration is present at
47% of the properties and, noting that deterioration is a precursor to dilapidation, those comprising the 18% above are also included here.

- Illegal Use of Structure is a factor that is difficult to observe and even more difficult to quantify. We do not have the level of access to the individual properties to identify if this factor is present to a significant degree.

- We observed 44% of the properties with improvement to be below code. To evaluate the properties compliance with building and zoning code we looked at the lots which were demonstrably narrower than is permitted by the respective current zoning. These are the properties that we expect could not be rebuilt if significantly damaged. The underlying zoning does not support replacement. We anticipate all except the most recently updated properties are below the minimum building code.

- Abandonment is based upon data provided by the Kansas City Missouri Public Works department. Based upon disconnected or inactive water and sewer service we expect there to be 3% of the structures in the study area to demonstrate abandonment.

- Excessive vacancy is also difficult to quantify without extensive access to the property owners and sometimes their business records. We have visually identified that 12% of the improved properties are vacant as demonstrated by boarded windows and doors, for rent or for sale signs, etc. When the multifamily and commercial property vacancy is considered this factor increases measurably.

- Approximately 62% of the improved properties within the study area demonstrate overcrowding. This is based on our observation of the physical conditions within the study area and also a review of the applicable zoning code and considering here also, those properties that are below code. Based upon current standards, these properties are over-crowded.

- To identify lack of ventilation requires a more in depth study of the area and the individual properties. We did not inspect individual properties for this study.

- Excessive land coverage is generally found on the residential properties with the narrow frontage. We also identify that overall, the properties on Troost have excessive land coverage but this factor is not separately measured for each improved property.

- Deleterious land use is considered the most severe of the factors comprising a conservation area. This can be properties where illegal activity is occurring and it can also be building conditions which are deemed by the public to be unsafe or unhealthy. For this study, these are the properties listed on the Kansas City, Missouri dangerous properties list.
• We look at each of the properties considered to exhibit dilapidation and deterioration and find those properties also to have depreciation of physical maintenance. We do not consider this factor separate and apart from deterioration or dilapidation.

• Lack of community planning is a subjective condition that we observed throughout the study area. The transportation infrastructure including the KCATA and street widths, locations of bus stops, and the confusing and ineffective one way street system in the area is all evidence of a lack of community planning. Efforts by the city of Kansas City Missouri to address this are confounded by the built environment including the lack of suitable parking, the narrow lot widths, and the unrestrictive side yards (residential) and front yards (commercial). We also note that there is an electric transmission line with spans the entire length of the study area along the east side of Troost which will hamper property investment and redevelopment for the foreseeable future. We find the lack of community planning to be present to a meaningful degree though we do not describe it on a per property level.

A preponderance of the properties in the study area must meet at least three of the factors included in the definition. There is no requirement that each improved property meet the same three factors. We are looking at the frequency or preponderance of example so we look to these individually measured factors. With deterioration/dilapidation at 47%, vacancy and abandonment at 15% combined, below minimum code at 44%, and overcrowding at 62% there are ample incidences of these factors within the study area. To demonstrate preponderance we add the factors of depreciation of physical maintenance, obsolescence, and lack of community planning. Considering that depreciation of physical maintenance and obsolescence are almost universal to the individual properties and the lack of community planning impacts many individual properties as well as all properties based on land use code we find that the requirement of at least three conservation factors affecting a preponderance of the improved properties within an area to have been met.

As a result of the factors listed above and discussed in this report which occur on a preponderance of the properties in the study area, we find the study area to not yet be blighted, but nonetheless is, detrimental to public health, safety, morals, or welfare.
If you have any questions or comments, please contact the undersigned. Thank you for the opportunity to be of service.

Respectfully submitted,

INTEGRA REALTY RESOURCES - KANSAS CITY

Kenneth Jaggers, MAI, FRICS
Senior Managing Director
Certified General Real Estate Appraiser
Missouri Certificate # RA003190
Telephone: 913-748-4704
Email: kjaggers@irr.com

Dylan Becker
Analyst
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### Summary of Salient Facts and Conclusions

#### Troost Area TIF Plan

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No individual study by property is presented. See Study Area discussion.

| Study Area 1 | 174 | 20 | 56 | 81 | 3 | 19 | 102 |
| Study Area 2 | 138 | 55 | 102 | 68 | 7 | 35 | 110 |
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| Study Area 6 | 302 | 79 | 156 | 203 | 10 | 37 | 224 |
| Study Area 7 | 320 | 49 | 195 | 256 | 6 | 38 | 340 |
| Study Area 8 | 351 | 64 | 184 | 209 | 15 | 39 | 320 |
| Study Area 9 | 335 | 26 | 162 | 187 | 18 | 52 | 259 |
| Study Area 10 | 154 | 12 | 67 | 20 | 5 | 10 | 67 |

Total Parcels 4,279

No individual study by property is presented. See Study Area discussion.

No individual study by property is presented. All properties with dilapidation and deterioration also demonstrate depreciation of physical maintenance.
General Information

Identification of Study area
This conservation study area is comprised of 4,279 separately identified tax parcels as per the Kansas City, Missouri Planning Department. These tax parcels comprise 4,125 street addresses. The study area spans 40 blocks north to south from 27th to 47th and ten blocks east to west from Harrison to Bruce R. Watkins Drive, straddling The Paseo. The study area includes numerous vacant parcels. The improved parcels total 2,739 and are primarily single family and multifamily and commercial improvements along Troost. The study area totals 781 acres excluding public streets. A list of individual parcels comprising the study area is maintained in our working file. The reader should note that there are 1,386 parcels without improvements that are not considered individually as part of this study.

Purpose of the Conservation study
To develop and report our opinion as to whether the conditions of the area to be included within the Troost Area TIF Plan described above are detrimental to public health, safety, morals, or welfare and may cause the area to become blighted due to the presence of certain factors described by 99.805(3) RSMo. Our findings demonstrate that fifty percent (50%) or more of the structures in the study area have an age of thirty-five (35) years or more and that a preponderance of the study area has certain blighting factors described by 99.805(3) that are detrimental to public health, safety, morals, or welfare. The date of the report is November 29, 2016. The conservation study is valid only as of the stated effective date or dates.

Scope of Work
To determine the appropriate scope of work for the assignment, we considered the intended use of the conservation study, the needs of the user, the complexity of the assignment, and other pertinent factors. Our concluded scope of work is described below.

First we considered the size and location of the study area and determined that our opinion of the absence or presence of the factors comprising a conservation area would be identified by both a physical inspection of the study area as well as a detailed examination of city and county public records, demographics, and other private data sources. The sources relied on for this study area as follows:

- City of Kansas City Missouri
- Jackson County Missouri
- State of Missouri
- Economic Development Corporation of Kansas City
- Planned Industrial Expansion Authority
• Our own appraisal and consulting assignment files
• The Nielsen Company
• Kansas City Power & Light
• Center for Economic Information at the University of Missouri, Kansas City
• Kansas City Missouri Police and Fire Departments

It is important to note that our inspection of the study area was limited to what was available from the public streets and rights-of-way. We did not contact any of the owners or occupants in the study area nor did we physically inspect any of the building structures.

The study area is too big in area and in number of parcels to effectively report on each one individually. There are 4,279 parcels total and 2,739 improved parcels in a land area of 781 acres. The study area spans two and one half miles north to south and is two thirds of a mile across. The Center for Economic Information at the University of Missouri Kansas City has previously studied parts of this area which they divided into ten smaller study areas. Each is two blocks north to south. By further delineating the study area we can ensure that our findings are identified from an even distribution of the total area. The findings of each of the ten smaller areas are aggregated to a conclusion of the entire study area. The factors we examine are not uniformly present or absent in the study area but are found to occur in each of the ten study areas. Our methodology for reporting on each factor is provided along with a definition or description of the factor below.

Inspection
Kenneth Jaggers, MAI, FRICS, conducted an on-site inspection of the property on November 14 - 18, 2016. Dylan Becker conducted an on-site inspection on November 14-18, 2016.

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

Age of thirty-five years or more: This is determined for each of the 2,739 improved parcels in the study area. The City Planning Department provided us with a list of all of the parcels in the area and within that list, improved parcels were noted and also the oldest construction permit issued on that parcel since 1970. Improved parcels with no construction permits are most certainly over thirty-five
years of age and most of the permits since 1970 were of a condition that indicates repair and renovation, not new construction. The requirement of a conservation area is that 50% of the structures in that area are thirty-five or more years old and we have found that nearly ninety percent (90%) of the structures in the study area are older than thirty-five (35) years.

**Detrimental to the public health, safety, morals, or welfare:** Once the age requirement of the structures in the study area are met we consider if, in aggregate, at least three of the factors described below are present such that a finding can be made that the study area is detrimental to the public health, safety, morals, or welfare. This test is applied to the entire study area.

**Dilapidation:** A condition of decay or partial ruin (Merriam Webster Dictionary). This factor is a commentary on the condition of the building and site improvements in the study area, not age. Dilapidation is addressed on a property by property basis and findings are reported by sector.

**Obsolescence:** One cause of depreciation; an impairment of desirability and usefulness caused by new inventions, changes in design, improved processes for production, or other external factors that make a property less desirable and valuable for a continued use; may be either functional or external. (Dictionary of Real Estate Appraisal). The impact of functional obsolescence is reported by predominant land uses and for the entire study area.

**Functional Obsolescence:** An element of accrued depreciation resulting from deficiencies or superadequacies in the structure. (Dictionary of Real Estate Appraisal).

**External (Economic) Obsolescence:** An element of accrued depreciation; a defect, usually incurable, caused by negative influences outside a site and generally incurable on the part of an owner, landlord, or tenant. (Dictionary of Real Estate Appraisal)

**Deterioration:** The act or process of becoming worse. The action or process of deteriorating. (Merriam Webster). Impairment of condition; a cause of depreciation that reflects the loss in condition due to wear and tear, disintegration, use in service, and the action of the elements. (The Dictionary of Real Estate Appraisal). This factor is tied to the age of the structures and is reported on an individual property level.

**Illegal use of individual structures:** There is no formal definition of this factor. We interpret it to address those buildings or improvements within the study area that are used for illegal purpose or those that are an illegal, criminal, or non-conforming use according to the relevant zoning ordinance. We do not have the detail necessary to report on illegal use of individual structures.

**Structures below minimum code standards:** We evaluate the entirety of the study area based upon the age of structures and the land use. We consider minimum and modern building codes in our findings. This includes setbacks, lot width, separation distance, access, parking,

**Abandonment:** As it relates to property it is the surrender, relinquishment, disclaimer, or cession of property or rights. Voluntary relinquishment of all right, title, claim, and possession, with the intention of not reclaiming it. (thefreedictionary.com) We report on the absence or presence of property abandonment on a per property level. We base these findings on information provided by
Kansas City, Missouri Public Works and consider the status of water and sewer service at each property address.

**Excessive vacancies:** There is no specific definition to apply for this factor. Without verification from the property owner or a specific and detailed inspection of each property, requiring permission from the owner, we cannot ascertain the extent of vacancy in the study area and if that vacancy is excessive. Excessive vacancy, as a conservation area factor, is a less severe measure than is abandonment but more readily reported based upon our observation of the study area.

**Overcrowding of structures and community facilities:** There is no specific definition to apply for this factor. Any commentary as to overcrowding as a conservation area factor is based on lot width and the proximity of neighboring structures and considers setbacks and separation distance.

**Lack of ventilation, light, or sanitary facilities:** There is no specific definition or criteria to apply to the study area to address this factor. We cannot specifically report on this without access to individual structures.

**Inadequate utilities:** There is no specific definition or criteria to apply to the study area to address this factor. We have verified the location and level of utility service in the study area and report on the entire area and we do not report on this factor.

**Excessive land coverage:** There is no specific definition or criteria to apply to the study area to address this factor. This specific factor is better illustrated as an illegal or non-conforming use according to the relevant zoning ordinance and we do not report on this factor.

**Deleterious land use or layout:** Harmful often in a subtle or unexpected way. (Merriam Webster) This factor is examined and reported on a parcel by parcel basis. This is from the list of dangerous buildings by the City of Kansas City, Missouri.

**Depreciation of physical maintenance:** A loss in property condition from any cause. In regard to improvements, depreciation encompasses both deterioration and obsolescence. (Dictionary of Real Estate Appraisal) We do not report separately on this factor.

**Lack of community planning:** There is no specific definition or criteria to apply to the study area to address this factor. This factor is addressed for the entire study area.

**Preponderance:** A superiority in weight, power, importance, or strength. A superiority or excess in number or quantity. (Merriam Webster) We evaluate our findings of the factors above and individually report if those factors occur or do not occur in the study area. If they do occur, do they rise to the level of preponderance.
Economic Analysis

Jackson County Area Analysis

Jackson County is located in west Missouri. It is 604 square miles in size and has a population density of 1,137 persons per square mile. Jackson County is part of the Kansas City, MO-KS Metropolitan Statistical Area, hereinafter called the Kansas City MSA, as defined by the U.S. Office of Management and Budget.

Population

Jackson County has an estimated 2016 population of 687,281, which represents an average annual 0.3% increase over the 2010 census of 674,158. Jackson County added an average of 2,187 residents per year over the 2010-2016 period, but its annual growth rate lagged the Kansas City MSA rate of 0.7%.

Looking forward, Jackson County's population is projected to increase at a 0.4% annual rate from 2016-2021, equivalent to the addition of an average of 2,629 residents per year. Jackson County's growth rate is expected to lag that of the Kansas City MSA, which is projected to be 0.6%.

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Source: The Nielsen Company

Employment

Total employment in Jackson County is currently estimated at 358,043 jobs. Between year-end 2005 and the present, employment declined by 9,790 jobs, equivalent to a 2.7% loss over the entire period. There were declines in employment in four out of the past ten years, influenced in part by the national economic downturn and slow recovery. Although many areas suffered declines in employment over the last decade, Jackson County underperformed the Kansas City MSA, which experienced an increase in employment of 5.0% or 47,935 jobs over this period.

A comparison of unemployment rates is another way of gauging an area’s economic health. Over the past decade, the Jackson County unemployment rate has been consistently higher than that of the Kansas City MSA, with an average unemployment rate of 7.6% in comparison to a 6.4% rate for the Kansas City MSA. A higher unemployment rate is a negative indicator.

Recent data shows that the Jackson County unemployment rate is 6.0% in comparison to a 5.1% rate for the Kansas City MSA, a negative sign that is consistent with the fact that Jackson County has underperformed the Kansas City MSA in the rate of job growth over the past two years.

Troost Area TIF Plan
Employment Trends

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Employment (Year End)</th>
<th>% Change</th>
<th>Kansas City MSA</th>
<th>% Change</th>
<th>Unemployment Rate (Ann. Avg.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>367,833</td>
<td></td>
<td>954,259</td>
<td></td>
<td>6.4%</td>
</tr>
<tr>
<td>2006</td>
<td>371,875</td>
<td>1.1%</td>
<td>973,383</td>
<td>2.0%</td>
<td>5.7%</td>
</tr>
<tr>
<td>2007</td>
<td>372,324</td>
<td>0.1%</td>
<td>981,494</td>
<td>0.8%</td>
<td>5.9%</td>
</tr>
<tr>
<td>2008</td>
<td>368,342</td>
<td>-1.1%</td>
<td>971,228</td>
<td>-1.0%</td>
<td>6.9%</td>
</tr>
<tr>
<td>2009</td>
<td>351,393</td>
<td>-4.6%</td>
<td>929,709</td>
<td>-4.3%</td>
<td>10.2%</td>
</tr>
<tr>
<td>2010</td>
<td>341,068</td>
<td>-2.9%</td>
<td>927,570</td>
<td>-0.2%</td>
<td>10.7%</td>
</tr>
<tr>
<td>2011</td>
<td>344,167</td>
<td>0.9%</td>
<td>938,546</td>
<td>1.2%</td>
<td>9.5%</td>
</tr>
<tr>
<td>2012</td>
<td>351,683</td>
<td>2.2%</td>
<td>954,167</td>
<td>1.7%</td>
<td>7.8%</td>
</tr>
<tr>
<td>2013</td>
<td>350,540</td>
<td>-0.3%</td>
<td>967,706</td>
<td>1.4%</td>
<td>7.7%</td>
</tr>
<tr>
<td>2014</td>
<td>354,601</td>
<td>1.2%</td>
<td>992,219</td>
<td>2.5%</td>
<td>7.1%</td>
</tr>
<tr>
<td>2015*</td>
<td>358,043</td>
<td>1.0%</td>
<td>1,002,194</td>
<td>1.0%</td>
<td>6.2%</td>
</tr>
<tr>
<td>Overall Change 2005-2015</td>
<td>-9,790</td>
<td>-2.7%</td>
<td>47,935</td>
<td>5.0%</td>
<td></td>
</tr>
</tbody>
</table>

*Total employment data is as of September 2015; unemployment rate data reflects the average of 12 months of 2015.

Employment Sectors
The composition of the Jackson County job market is depicted in the chart below. A complete data set is not available for the Kansas City MSA, so we will compare Jackson County to the United States. Total employment for the two areas is broken down by major employment sector, and the sectors are ranked from largest to smallest based on the percentage of Jackson County jobs in each category.
Jackson County has greater concentrations than the United States in the following employment sectors:

1. Professional and Business Services, representing 16.0% of Jackson County payroll employment compared to 14.0% for the nation overall. This sector includes legal, accounting, and engineering firms, as well as management of holding companies.

2. Education and Health Services, representing 15.9% of Jackson County payroll employment compared to 15.0% for the nation overall. This sector includes employment in public and private schools, colleges, hospitals, and social service agencies.

3. Government, representing 15.7% of Jackson County payroll employment compared to 15.2% for the nation overall. This sector includes employment in local, state, and federal government agencies.

4. Leisure and Hospitality, representing 11.4% of Jackson County payroll employment compared to 10.9% for the nation overall. This sector includes employment in hotels, restaurants, recreation facilities, and arts and cultural institutions.

Jackson County is underrepresented in the following sectors:

1. Trade; Transportation; and Utilities, representing 16.8% of Jackson County payroll
employment compared to 19.0% for the nation overall. This sector includes jobs in retail trade, wholesale trade, trucking, warehousing, and electric, gas, and water utilities.

2. Manufacturing, representing 6.1% of Jackson County payroll employment compared to 8.8% for the nation overall. This sector includes all establishments engaged in the manufacturing of durable and nondurable goods.

3. Natural Resources & Mining, representing 0.1% of Jackson County payroll employment compared to 1.5% for the nation overall. Agriculture, mining, quarrying, and oil and gas extraction are included in this sector.

Major Employers

Major employers in Kansas City MSA are shown in the following table.
<table>
<thead>
<tr>
<th>Rank</th>
<th>Company</th>
<th>Current # of Local Employees</th>
<th>Nature of Operation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Federal Government</td>
<td>30,000</td>
<td>Government</td>
</tr>
<tr>
<td>2</td>
<td>Cerner Corporation</td>
<td>10,128</td>
<td>Health care information technology</td>
</tr>
<tr>
<td>3</td>
<td>HCA Midwest Health System</td>
<td>9,753</td>
<td>Health care</td>
</tr>
<tr>
<td>4</td>
<td>Saint Luke's Health System</td>
<td>7,550</td>
<td>Health care</td>
</tr>
<tr>
<td>5</td>
<td>Children's Mercy Hospitals &amp; Clinics</td>
<td>6,305</td>
<td>Health care</td>
</tr>
<tr>
<td>6</td>
<td>Sprint Corp.</td>
<td>6,300</td>
<td>Communications</td>
</tr>
<tr>
<td>7</td>
<td>The University of Kansas Hospital</td>
<td>6,030</td>
<td>Health care and education</td>
</tr>
<tr>
<td>8</td>
<td>State of Missouri</td>
<td>5,814</td>
<td>Government</td>
</tr>
<tr>
<td>9</td>
<td>State of Kansas</td>
<td>4,695</td>
<td>Government</td>
</tr>
<tr>
<td>10</td>
<td>Hallmark Cards Inc.</td>
<td>4,600</td>
<td>Greeting cards and Television programming</td>
</tr>
<tr>
<td>11</td>
<td>City of Kansas City, Missouri</td>
<td>4,499</td>
<td>Government</td>
</tr>
<tr>
<td>12</td>
<td>Olathe District Schools</td>
<td>4,498</td>
<td>Public school district</td>
</tr>
<tr>
<td>13</td>
<td>Johnson County, Kansas Government</td>
<td>3,822</td>
<td>Government</td>
</tr>
<tr>
<td>14</td>
<td>Garmin International Inc.</td>
<td>3,723</td>
<td>Designs, manufacturers &amp; markets GPS devices</td>
</tr>
<tr>
<td>15</td>
<td>Kansas City, Kan Public Schools</td>
<td>3,500</td>
<td>School District</td>
</tr>
<tr>
<td>16</td>
<td>DST Systems, Inc.</td>
<td>3,500</td>
<td>Information processing and software</td>
</tr>
<tr>
<td>17</td>
<td>General Motors Fairfax Assembly</td>
<td>3,500</td>
<td>Auto Manufacturing</td>
</tr>
<tr>
<td>18</td>
<td>Blue Valley School District</td>
<td>3,266</td>
<td>Public school district</td>
</tr>
<tr>
<td>19</td>
<td>Truman Medical Centers</td>
<td>3,175</td>
<td>Health care</td>
</tr>
<tr>
<td>20</td>
<td>The University of Kansas Medical Center</td>
<td>3,174</td>
<td>Medical school and health care</td>
</tr>
<tr>
<td>21</td>
<td>North Kansas City Schools</td>
<td>3,160</td>
<td>Public school district</td>
</tr>
<tr>
<td>22</td>
<td>University of Missouri – Kansas City</td>
<td>3,109</td>
<td>Education</td>
</tr>
<tr>
<td>23</td>
<td>Black &amp; Veatch</td>
<td>3,107</td>
<td>Global engineering, consulting &amp; construction</td>
</tr>
<tr>
<td>24</td>
<td>Farmers Insurance</td>
<td>3,000</td>
<td>Insurance</td>
</tr>
<tr>
<td>25</td>
<td>Burns &amp; McDonnell</td>
<td>2,960</td>
<td>Engineering, construction, and consulting</td>
</tr>
<tr>
<td>26</td>
<td>UPS</td>
<td>2,852</td>
<td>Logistics</td>
</tr>
<tr>
<td>27</td>
<td>UMB Financial Corp.</td>
<td>2,830</td>
<td>Financial services and banking</td>
</tr>
<tr>
<td>28</td>
<td>Honeywell Federal Mfg. &amp; Technologies</td>
<td>2,600</td>
<td>Operates National Nuclear Security Administration</td>
</tr>
<tr>
<td>29</td>
<td>Shawnee Mission School District</td>
<td>2,545</td>
<td>Public school district</td>
</tr>
<tr>
<td>30</td>
<td>Lee's Summit School District</td>
<td>2,527</td>
<td>Public school district</td>
</tr>
<tr>
<td>31</td>
<td>BNSF Railway Co.</td>
<td>2,500</td>
<td>Freight railroad</td>
</tr>
<tr>
<td>32</td>
<td>Commerce Bank</td>
<td>2,361</td>
<td>Banking and financial services</td>
</tr>
<tr>
<td>33</td>
<td>Shawnee Mission Medical Center</td>
<td>2,267</td>
<td>Health care services</td>
</tr>
<tr>
<td>34</td>
<td>Unified Government of WYCO/KCKS</td>
<td>2,200</td>
<td>Government</td>
</tr>
<tr>
<td>35</td>
<td>Kansas City Public Schools</td>
<td>2,200</td>
<td>Public school district</td>
</tr>
<tr>
<td>36</td>
<td>Great Plains Energy</td>
<td>2,191</td>
<td>Electric utility</td>
</tr>
<tr>
<td>37</td>
<td>Blue Springs School District</td>
<td>2,015</td>
<td>School District</td>
</tr>
<tr>
<td>38</td>
<td>United Health Group</td>
<td>2,000</td>
<td>Health care services</td>
</tr>
<tr>
<td>39</td>
<td>Olathe Health Systems, Inc.</td>
<td>2,000</td>
<td>Health care delivery system</td>
</tr>
<tr>
<td>40</td>
<td>Kansas City, MO Police Department</td>
<td>1,990</td>
<td>Police Department</td>
</tr>
<tr>
<td>41</td>
<td>Liberty Public Schools</td>
<td>1,922</td>
<td>School District</td>
</tr>
<tr>
<td>42</td>
<td>Ameristar Casino Hotel Kansas City</td>
<td>1,901</td>
<td>Hotel and Casino</td>
</tr>
<tr>
<td>43</td>
<td>U.S. Bank</td>
<td>1,850</td>
<td>Banking &amp; financial services</td>
</tr>
<tr>
<td>44</td>
<td>Quest Diagnostics, Inc.</td>
<td>1,833</td>
<td>Medical lab testing</td>
</tr>
<tr>
<td>45</td>
<td>Park Hill</td>
<td>1,800</td>
<td>Public school district</td>
</tr>
<tr>
<td>46</td>
<td>YRC Worldwide</td>
<td>1,700</td>
<td>LTL Transportation</td>
</tr>
<tr>
<td>47</td>
<td>ATK Small Caliber Systems</td>
<td>1,650</td>
<td>Lake City Army Ammunition plant</td>
</tr>
<tr>
<td>48</td>
<td>Jackson County</td>
<td>1,596</td>
<td>Local government</td>
</tr>
<tr>
<td>49</td>
<td>Johnson County Community College</td>
<td>1,500</td>
<td>Higher Education</td>
</tr>
<tr>
<td>50</td>
<td>Bayer KS/MO Operations</td>
<td>1,450</td>
<td>Healthcare</td>
</tr>
</tbody>
</table>

Source: Kansas City Business Journal
Updated January, 2016
Gross Domestic Product

Gross Domestic Product (GDP) is a measure of economic activity based on the total value of goods and services produced in a defined geographic area. Although GDP figures are not available at the county level, data reported for the Kansas City MSA is considered meaningful when compared to the nation overall, as Jackson County is part of the MSA and subject to its influence.

Economic growth, as measured by annual changes in GDP, has been similar in the Kansas City MSA and the United States overall during the past eight years. The Kansas City MSA has grown at a 0.8% average annual rate while the United States has grown at a 0.8% rate. As the national economy improves, the Kansas City MSA has recently underperformed the United States. GDP for the Kansas City MSA rose by 2.0% in 2014 while the United States GDP rose by 2.2%.

The Kansas City MSA has a per capita GDP of $54,123, which is 10% greater than the United States GDP of $49,110. This means that Kansas City MSA industries and employers are adding relatively more value to the economy than their counterparts in the United States overall.

<table>
<thead>
<tr>
<th>Year</th>
<th>Kansas City MSA</th>
<th>% Change</th>
<th>United States</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>105,723</td>
<td></td>
<td>14,798,367</td>
<td></td>
</tr>
<tr>
<td>2008</td>
<td>106,772</td>
<td>1.0%</td>
<td>14,718,304</td>
<td>-0.5%</td>
</tr>
<tr>
<td>2009</td>
<td>103,699</td>
<td>-2.9%</td>
<td>14,320,114</td>
<td>-2.7%</td>
</tr>
<tr>
<td>2010</td>
<td>106,528</td>
<td>2.7%</td>
<td>14,628,169</td>
<td>2.2%</td>
</tr>
<tr>
<td>2011</td>
<td>106,750</td>
<td>0.2%</td>
<td>14,833,680</td>
<td>1.4%</td>
</tr>
<tr>
<td>2012</td>
<td>108,874</td>
<td>2.0%</td>
<td>15,127,489</td>
<td>2.0%</td>
</tr>
<tr>
<td>2013</td>
<td>109,943</td>
<td>1.0%</td>
<td>15,317,517</td>
<td>1.3%</td>
</tr>
<tr>
<td>2014</td>
<td>112,096</td>
<td>2.0%</td>
<td>15,659,221</td>
<td>2.2%</td>
</tr>
<tr>
<td>Compound % Chg (2007-2014)</td>
<td></td>
<td>0.8%</td>
<td></td>
<td>0.8%</td>
</tr>
</tbody>
</table>

GDP Per Capita 2014 $54,123 $49,110

Source: Bureau of Economic Analysis and Economy.com; data released September 2015. The release of state and local GDP data has a longer lag time than national data. The data represents inflation-adjusted "real" GDP stated in 2009 dollars.

Household Income

Jackson County has a considerably lower level of household income than the Kansas City MSA. Median household income for Jackson County is $48,373, which is 18.1% less than the corresponding figure for the Kansas City MSA.

<table>
<thead>
<tr>
<th>Median Household Income - 2016</th>
<th>Median</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jackson County, MO</td>
<td>$48,373</td>
</tr>
<tr>
<td>Kansas City MSA</td>
<td>$59,028</td>
</tr>
</tbody>
</table>

Comparison of Jackson County, MO to Kansas City MSA - 18.1%

Source: The Nielsen Company
The following chart shows the distribution of households across twelve income levels. Jackson County has a greater concentration of households in the lower income levels than the Kansas City MSA. Specifically, 37% of Jackson County households are below the $35,000 level in household income as compared to 30% of Kansas City MSA households. A lesser concentration of households is apparent in the higher income levels, as 31% of Jackson County households are at the $75,000 or greater levels in household income versus 38% of Kansas City MSA households.

Education and Age
Residents of Jackson County have a lower level of educational attainment than those of the Kansas City MSA. An estimated 28% of Jackson County residents are college graduates with four-year degrees, versus 34% of Kansas City MSA residents. People in Jackson County are slightly younger than their Kansas City MSA counterparts. The median age for Jackson County is 37 years, while the median age for the Kansas City MSA is 38 years.
Conclusion
The Jackson County economy will be affected by a stable to slightly growing population base and lower income and education levels. Jackson County experienced a decline in the number of jobs, and had a consistently higher unemployment rate than the Kansas City MSA over the past decade. However, Jackson County benefits from being part of the Kansas City MSA, which generates a higher level of GDP per capita than the nation overall. We anticipate that the Jackson County economy will improve and employment will grow, strengthening the demand for real estate.
Area Map
Surrounding Area Analysis

Boundaries
The subject is located in west central part of Kansas City, Missouri. The surrounding area is bound as follows:

North: Missouri River
South: I-435
East: I-435
West: State Line

A map identifying the location of the property follows this section. The study area specifically includes the neighborhoods of Manheim Park, Squire Park, Center City, Beacon Hill, and Mount Hope. Also included are the Ivanhoe neighborhoods and parts of the Hyde Park neighborhoods.

Access and Linkages
Primary highway access to the area is via Highway 71 which runs in a north/south direction through Kansas City. Direct access to the subject is provided by Troost Avenue which is a main arterial and runs in a north/south direction. Public transportation is provided by The Metro and provides access to the Kansas City MSA. The study area has good access from Bruce R. Watkins Parkway (Highway 71) at several streets. Troost is the only commercial street in the study area and is the primary north and south running street in the neighborhood. Bus service provided by the KCATA is good in the study area and is highly utilized. Traffic within the study area ranges from sparse to moderate and the walk scores at various locations in the study area indicate that, for most parts of the study area, most errands will require a car. We include a traffic count and walk score map at the end of this section of our report.

The Kansas City International Airport (MCI) is located 25 miles north and it takes 30 minutes by automobile to reach the airport. The regional and economic cultural center for the area is the Kansas City CBD and this is located three miles northeast of the study area.

Demand Generators
Major employers include H&R Block, SMG, DST, Commerce Bank, UMB, State Street Bank, Hallmark, Kansas City Southern, Children’s Mercy Hospital, Truman Medical Hospital, and the municipal, county and federal governments. These are located within three miles of the property and represent a variety of industries. In addition to its strong employment base, the area is easily accessible to the Northland and Johnson County submarkets, which are all within twenty minutes driving time. Access to employment centers in other submarkets is a major demand driver.

The subject is located less than a mile southeast of Union Station and Crown Center, which are notable area draws. Crown Center is a commercial complex that includes hotels, shopping, restaurants, LegoLand, an aquarium, and office space. It is home to the global headquarters of Hallmark and is the headquarters for two of the area’s largest law firms: Lathrop & Gage and Shook,
Hardy & Bacon. Union Station was restored in 1999 and features event space, ongoing museum exhibits and attractions such as Science City at Union Station. The station provides Amtrak Service and is the last stop for the Kansas City Streetcar.

City government and the Kansas City Missouri School district and numerous not-for-profit organizations have a significant presence in the study area. There are no employers of any significant size principally located within the study area.

Demographics
A demographic profile of the surrounding area, including population, households, and income data, is presented in the following table.

<table>
<thead>
<tr>
<th>Surrounding Area Demographics</th>
<th>Subject Area</th>
<th>I-435, Missouri River, State Line</th>
<th>Jackson County, MO</th>
<th>Kansas City MSA</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016 Estimates</td>
<td>2010</td>
<td>2016</td>
<td>2021</td>
<td>2021</td>
</tr>
<tr>
<td>Population 2010</td>
<td>7,028</td>
<td>6,881</td>
<td>6,840</td>
<td>7,028</td>
</tr>
<tr>
<td>Population 2016</td>
<td>6,881</td>
<td>6,840</td>
<td>6,881</td>
<td>6,840</td>
</tr>
<tr>
<td>Population 2021</td>
<td>6,840</td>
<td>6,840</td>
<td>6,881</td>
<td>6,840</td>
</tr>
<tr>
<td>Compound % Change 2010-2016</td>
<td>-0.4%</td>
<td>-0.2%</td>
<td>0.3%</td>
<td>0.7%</td>
</tr>
<tr>
<td>Compound % Change 2016-2021</td>
<td>-0.1%</td>
<td>0.0%</td>
<td>0.4%</td>
<td>0.6%</td>
</tr>
<tr>
<td>Households 2010</td>
<td>3,005</td>
<td>3,027</td>
<td>3,051</td>
<td>3,005</td>
</tr>
<tr>
<td>Households 2016</td>
<td>3,005</td>
<td>3,027</td>
<td>3,051</td>
<td>3,005</td>
</tr>
<tr>
<td>Households 2021</td>
<td>3,051</td>
<td>3,051</td>
<td>3,051</td>
<td>3,051</td>
</tr>
<tr>
<td>Compound % Change 2010-2016</td>
<td>0.1%</td>
<td>0.2%</td>
<td>0.3%</td>
<td>0.7%</td>
</tr>
<tr>
<td>Compound % Change 2016-2021</td>
<td>0.2%</td>
<td>0.2%</td>
<td>0.4%</td>
<td>0.7%</td>
</tr>
<tr>
<td>Median Household Income 2016</td>
<td>$22,711</td>
<td>$35,484</td>
<td>$48,373</td>
<td>$59,028</td>
</tr>
<tr>
<td>Average Household Size</td>
<td>2.2</td>
<td>2.2</td>
<td>2.4</td>
<td>2.5</td>
</tr>
<tr>
<td>College Graduate %</td>
<td>19%</td>
<td>30%</td>
<td>28%</td>
<td>34%</td>
</tr>
<tr>
<td>Median Age</td>
<td>36</td>
<td>35</td>
<td>37</td>
<td>38</td>
</tr>
<tr>
<td>Owner Occupied %</td>
<td>37%</td>
<td>47%</td>
<td>61%</td>
<td>67%</td>
</tr>
<tr>
<td>Renter Occupied %</td>
<td>63%</td>
<td>53%</td>
<td>39%</td>
<td>33%</td>
</tr>
<tr>
<td>Median Year Structure Built</td>
<td>1947</td>
<td>1950</td>
<td>1968</td>
<td>1977</td>
</tr>
<tr>
<td>Avg. Travel Time to Work in Min.</td>
<td>26</td>
<td>22</td>
<td>25</td>
<td>25</td>
</tr>
</tbody>
</table>

Source: The Nielsen Company

As shown above, the current population within a study area is 6,881, and the average household size is 2.2. Population in the area has shrunk since the 2010 census, and this trend is projected to continue over the next five years. Compared to a Kansas City Missouri area of State Line east to I-435 and the Missouri River south to I-435 the study area is projected to decrease in population and total households is expected to grow more slowly.

Median household income is $22,711, which is lower than the household income for Jackson County. Residents within the study area have a significantly lower level of educational attainment than those of the larger Kansas City, Jackson County, Missouri area. Also residents in the study area travel to work longer by four minutes than the larger Kansas City, Jackson County, Missouri area.
Services and Amenities

The study area includes convenience stores, a CVS and Walgreens, Dollar General, Dollar Tree, some restaurants and other retailers offering some convenience items, but there is only one grocery store, the Save A Lot at 3400 Troost. The inconsistency of the retail goods available and the needs of the neighborhood lead to overall low walk scores. The inconsistency of the retail goods available and the needs of the neighborhood lead to overall low walk scores.

Land Use

Land use characteristics are summarized as follows:

<table>
<thead>
<tr>
<th>Surrounding Area Land Uses</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Character of Area</td>
<td>Urban</td>
</tr>
<tr>
<td>Predominant Age of Improvements</td>
<td>50+ Years</td>
</tr>
<tr>
<td>Predominant Quality and Condition</td>
<td>Below Average</td>
</tr>
<tr>
<td>Approximate Percent Developed</td>
<td>50% (the area was nearly 90% developed 60 years ago</td>
</tr>
<tr>
<td>Infrastructure/Planning</td>
<td>Below Average</td>
</tr>
<tr>
<td>Predominant Location of Undeveloped Land</td>
<td>There is very little developable land in the study area. There is abundant vacant land but fractured ownership makes redevelopment difficult.</td>
</tr>
<tr>
<td>Prevailing Direction of Growth</td>
<td>Very moderate infill growth.</td>
</tr>
</tbody>
</table>

Development Activity and Trends

During the last five years, development has been infrequent and small scale. It takes approximately $20,000 to $30,000 to renovate one of the small homes in the area. This includes roof, HVAC, paint, electric service, and general repair and improvement. Modest improvements can be completed for $5,000. Multifamily properties in the area have seen inexpensive repairs of $2,000 per unit, to larger expenditures of $7,000 per unit. Typically this level of multifamily repair and improvement does not enhance the rental rates of the units, but it does help property owners keep even with nearby competition.

One major project is the Wonder Bread Lofts. This building was built in 1925 and is being renovated to include 86 apartments and over 30,000 square feet of commercial space. When completed in April 2018, it will total 151,000 square feet. The project is being incentivized with historic tax credits and tax abatement.

Gates & Sons Management has attentively updated and repaired its headquarters. Also we note that there is renovation occurring to single and multifamily properties. This occurs most in the north part of the study area and along Harrison which is strongly identified with its Hyde Park neighborhood.
Outlook and Conclusions

The area is in the decline stage of its life cycle. Given the history of the area and the growth trends, it is anticipated that property conditions will decrease in the near future.

Study Area Street Map
Study Area Aerial
Study Area Traffic County and Walk Scores

Legend
- Proactive Parcels
- Proactive Boundary

Sources: Esri, HERE, DeLorme, USGS, USGS Astrogeology, USGS Landsat, GeoEye, Getmapping, Earthstar Geographics, MapmyIndia, Mapcore, i-cubed, GMI, Earthstar Geographics, GeoEye, Getmapping, MapQuest, MapmyIndia, TomTom, Esri, HERE, DeLorme, USGS, USGS Astrogeology, USGS Landsat, GeoEye, Getmapping, Earthstar Geographics, MapmyIndia, Mapcore, i-cubed, GMI

Troost Area TIF Plan
Land Description and Analysis

Location
The study area spans 20 blocks north to south and eight blocks east to west. It is located on Kansas City’s near east side.

Land Area
The study area totals 781 acres based upon the sum total of all of the included parcel ID’s. There are 4,279 parcels and 4,125 property addresses. Thus the land area consider for our analysis does not include the public streets.

Shape and Dimensions
The residential sites are all uniformly rectangular with individual parcel widths ranging from 25’ to 40’ and depths from 75’ to 145’. Commercial lots are typically rectangular as well, usually larger though. There are some special purpose properties and vacant land tracts in the study area that are irregular in shape.

Topography
Along Troost, the sites are all generally level and at street grade. However, parcels on interior streets are above street grade and sometime sloping. Pedestrian and vehicular access to the improvements on these particular parcels is difficult.

Drainage
No particular drainage problems were observed or disclosed at the time of field inspection. This conservation study assumes that there are not any unusual drainage issues that would affect the development of the study area.

Flood Hazard Status
The following table provides flood hazard information.

<table>
<thead>
<tr>
<th>Flood Hazard Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community Panel Number</td>
</tr>
<tr>
<td>Date</td>
</tr>
<tr>
<td>Zone</td>
</tr>
<tr>
<td>Description</td>
</tr>
<tr>
<td>Insurance Required?</td>
</tr>
</tbody>
</table>

Environmental Hazards
An environmental assessment report was not provided for review, and during our inspection, we did not observe any obvious signs of contamination on or near the study area. However, environmental issues are beyond our scope of expertise. It is assumed that the property is not adversely affected by environmental hazards.
Ground Stability
A soils report was not provided for our review. Based on our inspection of the study area and observation of development on nearby sites, there are no apparent ground stability problems. However, we are not experts in soils analysis. We assume that the study area’s soil bearing capacity is sufficient to support a variety of uses, including those permitted by zoning.

Utilities
The availability of utilities to the study area is summarized in the following table.

<table>
<thead>
<tr>
<th>Utilities</th>
<th>Provider</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water</td>
<td>Kansas City Missouri</td>
</tr>
<tr>
<td>Sewer</td>
<td>Kansas City Missouri</td>
</tr>
<tr>
<td>Electricity</td>
<td>KCP&amp;L</td>
</tr>
<tr>
<td>Natural Gas</td>
<td>Missouri Gas Energy</td>
</tr>
<tr>
<td>Phone/Cable/internet</td>
<td>Multiple Providers</td>
</tr>
</tbody>
</table>

Zoning
The following table summarizes our understanding and interpretation of the zoning requirements that affect the study area. Zoning maps for each of the ten study areas are included individually.

<table>
<thead>
<tr>
<th>Zoning Summary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Zoning Jurisdiction: Kansas City, Missouri</td>
</tr>
<tr>
<td>Zoning Designation: R-0.5</td>
</tr>
<tr>
<td>Description: Residential 0.5 is intended to create, maintain and promote a variety of housing opportunities for individual households and to maintain the desired physical character of existing and developing neighborhoods.</td>
</tr>
<tr>
<td>Permitted Likely Uses: Household living, Club/lodge, Day Care, Police and Fire</td>
</tr>
<tr>
<td>Category: Zoning Requirement</td>
</tr>
<tr>
<td>Minimum Lot Area: 3,000 SF</td>
</tr>
<tr>
<td>Minimum Street Frontage (Feet): 30'</td>
</tr>
<tr>
<td>Minimum Lot Width (Feet): 30'</td>
</tr>
<tr>
<td>Minimum Lot Depth (Feet): Not Specified</td>
</tr>
<tr>
<td>Maximum Required Setback (Feet): Front - 15% of lot depth or a maximum of 20'. Rear Minimum of 25% of depth or 25'. Side - Minimum of 10% of lot width or 8'.</td>
</tr>
<tr>
<td>Maximum Building Height: 164'</td>
</tr>
<tr>
<td>Maximum Site Coverage: Not Specified</td>
</tr>
<tr>
<td>Maximum Density: 87 units per acre</td>
</tr>
<tr>
<td>Maximum Floor Area Ratio: Not specified</td>
</tr>
<tr>
<td>Parking Requirement: 1 Off-street space per unit</td>
</tr>
<tr>
<td>Other: NA</td>
</tr>
<tr>
<td>Source: Kansas City Missouri Zoning &amp; Development Code</td>
</tr>
</tbody>
</table>
## Zoning Summary

<table>
<thead>
<tr>
<th>Category</th>
<th>Zoning Requirement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Zoning Jurisdiction</td>
<td>Kansas City, Missouri</td>
</tr>
<tr>
<td>Zoning Designation</td>
<td>R-1.5</td>
</tr>
<tr>
<td>Description</td>
<td>Residential 1.5 is intended to create, maintain and promote a variety of housing opportunities for individual households and to maintain the desired physical character of existing and developing neighborhoods.</td>
</tr>
<tr>
<td>Zoning Change Likely?</td>
<td>No</td>
</tr>
<tr>
<td>Permitted Likely Uses</td>
<td>Household living, Club/lodge, Day Care, Police and Fire</td>
</tr>
<tr>
<td>Minimum Lot Area</td>
<td>3,000 SF</td>
</tr>
<tr>
<td>Minimum Street Frontage (Feet)</td>
<td>30'</td>
</tr>
<tr>
<td>Minimum Lot Width (Feet)</td>
<td>30'</td>
</tr>
<tr>
<td>Minimum Lot Depth (Feet)</td>
<td>Not specified</td>
</tr>
<tr>
<td>Maximum Required Setback (Feet)</td>
<td>Front - 20', Rear - 25', Side 8'</td>
</tr>
<tr>
<td>Maximum Building Height</td>
<td>45'</td>
</tr>
<tr>
<td>Maximum Site Coverage</td>
<td>Not specified</td>
</tr>
<tr>
<td>Maximum Density</td>
<td>29 units per acre</td>
</tr>
<tr>
<td>Maximum Floor Area Ratio</td>
<td>Not specified</td>
</tr>
<tr>
<td>Parking Requirement</td>
<td>1 Off-street space per unit</td>
</tr>
<tr>
<td>Other</td>
<td>NA</td>
</tr>
</tbody>
</table>

Source: Kansas City Missouri Zoning & Development Code

## Zoning Summary

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<tr>
<th>Category</th>
<th>Zoning Requirement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Zoning Jurisdiction</td>
<td>Kansas City, Missouri</td>
</tr>
<tr>
<td>Zoning Designation</td>
<td>R-2.5</td>
</tr>
<tr>
<td>Description</td>
<td>Residential 2.5 is intended to create, maintain and promote a variety of housing opportunities for individual households and to maintain the desired physical character of existing and developing neighborhoods.</td>
</tr>
<tr>
<td>Zoning Change Likely?</td>
<td>No</td>
</tr>
<tr>
<td>Permitted Likely Uses</td>
<td>Household living, Club/lodge, Day Care, Police and Fire</td>
</tr>
<tr>
<td>Minimum Lot Area</td>
<td>4,000 SF</td>
</tr>
<tr>
<td>Minimum Street Frontage (Feet)</td>
<td>40'</td>
</tr>
<tr>
<td>Minimum Lot Width (Feet)</td>
<td>40'</td>
</tr>
<tr>
<td>Minimum Lot Depth (Feet)</td>
<td>Not specified</td>
</tr>
<tr>
<td>Maximum Required Setback (Feet)</td>
<td>Front - 25', Rear - 25', Side 8'</td>
</tr>
<tr>
<td>Maximum Building Height</td>
<td>40'</td>
</tr>
<tr>
<td>Maximum Site Coverage</td>
<td>Not specified</td>
</tr>
<tr>
<td>Maximum Density</td>
<td>87 units per acre</td>
</tr>
<tr>
<td>Maximum Floor Area Ratio</td>
<td>Not specified</td>
</tr>
<tr>
<td>Parking Requirement</td>
<td>1 Off-street space per unit</td>
</tr>
<tr>
<td>Other</td>
<td>NA</td>
</tr>
</tbody>
</table>

Source: Kansas City Missouri Zoning & Development Code
### Zoning Summary

<table>
<thead>
<tr>
<th>Description</th>
<th>Kansas City, Missouri</th>
</tr>
</thead>
<tbody>
<tr>
<td>Zoning Jurisdiction</td>
<td>Kansas City, Missouri</td>
</tr>
<tr>
<td>Zoning Designation</td>
<td>R-5</td>
</tr>
<tr>
<td>Description</td>
<td>Residential 5 is intended to create, maintain and promote a variety of housing opportunities for individual households and to maintain the desired physical character of existing and developing neighborhoods.</td>
</tr>
<tr>
<td>Zoning Change Likely?</td>
<td>No</td>
</tr>
<tr>
<td>Permitted Likely Uses</td>
<td>Household living, Club/lodge, Day Care, Police and Fire</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Category</th>
<th>Minimum Lot Area</th>
<th>Minimum Street Frontage (Feet)</th>
<th>Minimum Lot Width (Feet)</th>
<th>Minimum Lot Depth (Feet)</th>
<th>Maximum Required Setback (Feet)</th>
<th>Maximum Building Height</th>
<th>Maximum Site Coverage</th>
<th>Maximum Density</th>
<th>Maximum Floor Area Ratio</th>
<th>Parking Requirement</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>5,000 SF</td>
<td>45'</td>
<td>45'</td>
<td>Not specified</td>
<td>Front - 25', Rear - 30', Side - 8'</td>
<td>164'</td>
<td>Not specified</td>
<td>9 units per acre</td>
<td>1.4 x</td>
<td>1 off-street per unit for residential, 1 per 1,000 SF for office, 4 per 1,000 for medical, and 2.5 per 1,000 for retail sales. Restaurants will require 10 - 20 per 1,000.</td>
<td>NA</td>
</tr>
</tbody>
</table>

Source: Kansas City Missouri Zoning & Development Code

### Zoning Summary

<table>
<thead>
<tr>
<th>Description</th>
<th>Kansas City, Missouri</th>
</tr>
</thead>
<tbody>
<tr>
<td>Zoning Jurisdiction</td>
<td>Kansas City, Missouri</td>
</tr>
<tr>
<td>Zoning Designation</td>
<td>B1-1</td>
</tr>
<tr>
<td>Description</td>
<td>Neighborhood Business 1: The primary purpose is to accommodate small-scale retail and service uses that serve the day to day convenience needs of nearby residents. B1 is intended to be applied in compact nodes at intersections or in a cohesive linear fashion along narrow streets that have slow traffic speeds and volumes.</td>
</tr>
<tr>
<td>Zoning Change Likely?</td>
<td>No</td>
</tr>
<tr>
<td>Permitted Likely Uses</td>
<td>Single family home, multifamily building, mixed use residential and commercial building, day care, eating and drinking establishments (no drive-through), office, medical office, parking.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Category</th>
<th>Minimum Lot Area</th>
<th>Minimum Street Frontage (Feet)</th>
<th>Minimum Lot Width (Feet)</th>
<th>Minimum Lot Depth (Feet)</th>
<th>Minimum Setbacks (%)</th>
<th>Maximum Building Height</th>
<th>Maximum Site Coverage</th>
<th>Maximum Floor Area Ratio</th>
<th>Parking Requirement</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>None</td>
<td>None</td>
<td>None</td>
<td>Not specified</td>
<td>Front - none or 1' abutting residential, Rear - Abutting residential greater 25% of depth or 30', otherwise none, Side - none or 2' abutting residential</td>
<td>35' or 40' for mixed use</td>
<td>Not specified</td>
<td>1.4 x</td>
<td>Varies by use</td>
<td>May not include more than 10,000 square feet of gross floor area on any single floor; except that food stores may included up to 25,000 square feet of gross floor area on a single floor.</td>
</tr>
</tbody>
</table>

Source: Kansas City Missouri Zoning & Development Code

Troost Area TIF Plan
### Zoning Summary

<table>
<thead>
<tr>
<th>Category</th>
<th>Zoning Requirement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Zoning Jurisdiction</td>
<td>Kansas City, Missouri</td>
</tr>
<tr>
<td>Zoning Designation</td>
<td>B3-2</td>
</tr>
<tr>
<td>Description</td>
<td>Community Business: The primary purpose is to accommodate a broad range of retail</td>
</tr>
<tr>
<td></td>
<td>and service uses often in the form of a shopping center or larger buildings than</td>
</tr>
<tr>
<td></td>
<td>are found in B-1 and B-2. Also intended to accommodate some types of destination</td>
</tr>
<tr>
<td></td>
<td>oriented commercial uses that draw from a larger trade area. It is intended to be</td>
</tr>
<tr>
<td></td>
<td>applied to large sites that have primary access to major streets.</td>
</tr>
<tr>
<td>Zoning Change Likely?</td>
<td>No</td>
</tr>
<tr>
<td>Permitted Likely Uses</td>
<td>Single family home, multifamily building, mixed use residential and commercial</td>
</tr>
<tr>
<td></td>
<td>building, day care, eating and drinking establishments, drive-through, office,</td>
</tr>
<tr>
<td></td>
<td>medical office, parking.</td>
</tr>
</tbody>
</table>

### Zoning Summary

<table>
<thead>
<tr>
<th>Category</th>
<th>Zoning Requirement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Zoning Jurisdiction</td>
<td>Kansas City, Missouri</td>
</tr>
<tr>
<td>Zoning Designation</td>
<td>B3-2</td>
</tr>
<tr>
<td>Description</td>
<td>Neighborhood Business 2: Primary purpose is to accommodate small to moderate scale</td>
</tr>
<tr>
<td></td>
<td>retail and service uses that serve the day-to-day convenience needs of nearby</td>
</tr>
<tr>
<td></td>
<td>residents as well as the occasional needs of residents within a larger trade area.</td>
</tr>
<tr>
<td>Zoning Change Likely?</td>
<td>No</td>
</tr>
<tr>
<td>Permitted Likely Uses</td>
<td>Single family home, multifamily building, mixed use residential and commercial</td>
</tr>
<tr>
<td></td>
<td>building, day care, eating and drinking establishments, drive-through, office,</td>
</tr>
<tr>
<td></td>
<td>medical office, parking.</td>
</tr>
</tbody>
</table>

Source: Kansas City Missouri Zoning & Development Code
## Zoning Summary

<table>
<thead>
<tr>
<th>Category</th>
<th>Zoning Requirement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Zoning Jurisdiction</td>
<td>Kansas City, Missouri</td>
</tr>
<tr>
<td>Zoning Designation</td>
<td>B4-2</td>
</tr>
<tr>
<td>Description</td>
<td>Heavy Business. Commercial 4: The primary purpose is to accommodate &quot;heavier&quot; commercial activities and a limited range of industrial uses with operating characteristics that make them generally incompatible with mixed use or neighborhood oriented environments.</td>
</tr>
<tr>
<td>Zoning Change Likely?</td>
<td>No</td>
</tr>
<tr>
<td>Permitted Likely Uses</td>
<td>Single family and multi-family residential, public and civic uses, day care, adult business, entertainment and spectator sports, eating and drinking, office, medical office, and parking.</td>
</tr>
</tbody>
</table>

### Category Zoning Requirement

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Minimum Lot Area</td>
<td>None</td>
</tr>
<tr>
<td>Minimum Street Frontage (Feet)</td>
<td>None</td>
</tr>
<tr>
<td>Minimum Lot Width (Feet)</td>
<td>None</td>
</tr>
<tr>
<td>Minimum Lot Depth (Feet)</td>
<td>Not specified</td>
</tr>
<tr>
<td>Minimum Setbacks (%)</td>
<td>Front - none or 1' abutting residential, Rear - Abutting residential greater 25% of depth or 30', otherwise none, Side - none or 2' abutting residential</td>
</tr>
<tr>
<td>Maximum Building Height</td>
<td>45' or 50' for mixed use</td>
</tr>
<tr>
<td>Maximum Site Coverage</td>
<td>Not specified</td>
</tr>
<tr>
<td>Maximum Floor Area Ratio</td>
<td>2.2 x</td>
</tr>
<tr>
<td>Parking Requirement</td>
<td>Varies by use</td>
</tr>
<tr>
<td>Other</td>
<td>Gross floor area may not exceed 25,000 square feet</td>
</tr>
</tbody>
</table>

Source: Kansas City Missouri Zoning & Development Code
## Zoning Summary

<table>
<thead>
<tr>
<th>Category</th>
<th>Zoning Requirement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Zoning Jurisdiction</td>
<td>Kansas City, Missouri</td>
</tr>
<tr>
<td>Zoning Designation</td>
<td>M1-5</td>
</tr>
<tr>
<td>Description</td>
<td>Manufacturing M: Intended to accommodate manufacturing, warehousing, wholesale, and industrial uses. The regulations are intended to promote the economic viability of manufacturing and industrial uses; encourage employment growth; and limited the encroachments of unplanned residential and other non-industrial development into industrial areas.</td>
</tr>
<tr>
<td>Zoning Change Likely?</td>
<td>No</td>
</tr>
<tr>
<td>Permitted Likely Uses</td>
<td>Mixed use including apartments, clubs and schools, hospitals and churches, adult business, eating and drinking establishments with drive through, retail sales, general or medical office, parking, manufacturing, warehousing, recycling, residential (self) storage.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Category</th>
<th>Zoning Requirement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minimum Lot Area</td>
<td>None</td>
</tr>
<tr>
<td>Minimum Street Frontage (Feet)</td>
<td>None</td>
</tr>
<tr>
<td>Minimum Lot Width (Feet)</td>
<td>None</td>
</tr>
<tr>
<td>Minimum Lot Depth (Feet)</td>
<td>Not specified</td>
</tr>
<tr>
<td>Minimum Setbacks (%)</td>
<td>Front - none or 1' abutting residential, Rear - Abutting residential greater 25% of depth or 30', otherwise none, Side - none or 2' abutting residential</td>
</tr>
<tr>
<td>Maximum Building Height</td>
<td>None</td>
</tr>
<tr>
<td>Maximum Site Coverage</td>
<td>Not Specified</td>
</tr>
<tr>
<td>Maximum Density</td>
<td>Not Specified</td>
</tr>
<tr>
<td>Maximum Floor Area Ratio</td>
<td>5.0 X</td>
</tr>
<tr>
<td>Parking Requirement</td>
<td>Varies by use</td>
</tr>
<tr>
<td>Other</td>
<td>None</td>
</tr>
</tbody>
</table>

Source: Kansas City Missouri Zoning & Development Code

## Zoning Summary

<table>
<thead>
<tr>
<th>Category</th>
<th>Zoning Requirement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Zoning Jurisdiction</td>
<td>Kansas City, Missouri</td>
</tr>
<tr>
<td>Zoning Designation</td>
<td>UR</td>
</tr>
<tr>
<td>Description</td>
<td>Urban Redevelopment UR: Promote development and redevelopment of underdeveloped and blighted sections of the city and to accommodate flexibility in design to help ensure realization of the stated purpose of an approved planned for redevelopment.</td>
</tr>
<tr>
<td>Zoning Change Likely?</td>
<td>No</td>
</tr>
<tr>
<td>Permitted Likely Uses</td>
<td>As per approved plan</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Category</th>
<th>Zoning Requirement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minimum Lot Area</td>
<td>As per approved plan</td>
</tr>
<tr>
<td>Minimum Street Frontage (Feet)</td>
<td>As per approved plan</td>
</tr>
<tr>
<td>Minimum Lot Width (Feet)</td>
<td>As per approved plan</td>
</tr>
<tr>
<td>Minimum Lot Depth (Feet)</td>
<td>As per approved plan</td>
</tr>
<tr>
<td>Minimum Setbacks (%)</td>
<td>As per approved plan</td>
</tr>
<tr>
<td>Maximum Building Height</td>
<td>As per approved plan</td>
</tr>
<tr>
<td>Maximum Site Coverage</td>
<td>As per approved plan</td>
</tr>
<tr>
<td>Maximum Density</td>
<td>As per approved plan</td>
</tr>
<tr>
<td>Maximum Floor Area Ratio</td>
<td>As per approved plan</td>
</tr>
<tr>
<td>Parking Requirement</td>
<td>As per approved plan</td>
</tr>
<tr>
<td>Other</td>
<td>As per approved plan</td>
</tr>
</tbody>
</table>

Source: Kansas City Missouri Zoning & Development Code
Conclusion
The study area includes a wide variety of land uses and has several different zoning classifications. The underlying zoning is haphazard and has created inconsistent development and redevelopment. A majority of the homes in the area could not be rebuilt on the existing lot, even if it were feasible to do so. The streets are by and large narrow with parking on both sides. The factors noted here and throughout the rest of the report have contributed to the decline of the neighborhood and the loss in population and investment.
Land Use Conservation Area Factors

Obsolescence - External

The study area includes approximately 189 duplexes, five townhomes, 195 multifamily properties and 2,213 single family residential properties in total comprising a significant majority of the land use. Show below is a comparison of single and multifamily home sales for the study area to the larger Kansas City, Jackson County, Missouri area bound by I-435, State Line, and the Missouri River. We studied the five year period leading up to the latest recession and the most recent five years.

For the study area, the days on market increased by 31% while the number of sales, the average list price, and the average asking price and the average sale price declined. Most notably the average sale price declined by 11%. The larger Kansas City area which saw a smaller increase in the days on market, a smaller decrease in the number of sales and most telling, a 29% increase in the average sale price.

<table>
<thead>
<tr>
<th>Study Area</th>
<th>2001 - 2006</th>
<th>Q3 2010 - Q3 2016</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td># sales</td>
<td>407</td>
<td>257</td>
<td>-36.86%</td>
</tr>
<tr>
<td>Average List $</td>
<td>$60,940</td>
<td>$58,263</td>
<td>-4.39%</td>
</tr>
<tr>
<td>Average Sale $</td>
<td>$55,007</td>
<td>$48,906</td>
<td>-11.09%</td>
</tr>
<tr>
<td>DOM</td>
<td>75</td>
<td>98</td>
<td>30.67%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>KCMO I-435 to State Line and I-435 to Missouri River</th>
<th>2001 - 2006</th>
<th>Q3 2010 - Q3 2016</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td># sales</td>
<td>14,885</td>
<td>11,010</td>
<td>-26.03%</td>
</tr>
<tr>
<td>Average List $</td>
<td>$124,739</td>
<td>$159,636</td>
<td>27.98%</td>
</tr>
<tr>
<td>Average Sale $</td>
<td>$113,676</td>
<td>$146,775</td>
<td>29.12%</td>
</tr>
<tr>
<td>DOM</td>
<td>63</td>
<td>75</td>
<td>19.05%</td>
</tr>
</tbody>
</table>

This analysis points to significant obsolescence affecting the residential land uses in the study area. Single family residential land uses make up 81% of the improved properties in the study area. Multifamily adds another 14% such that 95% of the improved properties are residential land use.
Many development incentives administered by the various development authorities as well as the Missouri Housing Development Commission are granted based upon some form of obsolescence. The use of Tax Increment Financing and Tax Abatement are preceded by a “but for” finding that demonstrates without the incentives the project is not feasible and would not likely move forward.

Low Income Housing Tax Credits (LIHTC) administered by the MHDC have a cost feasible rent analysis which demonstrates that a meaningful number of households in an area are well below the median household income for the area and cannot afford to pay market rents. Unless a project meets this test of economic obsolescence, it may not move forward.

The Wonder Bread Lofts noted previously is one project that is going to use historic tax credits and abatement. The economics of the project require tax abatement to provide a reasonable return to the developer. The historic tax credits address functional obsolescence. The historic nature of the building makes the cost of redevelopment prohibitive. The state and federal historic tax credits are evidence of the presence of functional obsolescence.

The Faxon School is being redeveloped to include LIHTC apartment units and that project requires significant incentive in the form of income tax credits and property tax abatement.

**Functional Obsolescence**

Lastly we look at the type of residential property available in the study area. Even the renovated properties will have extensive functional obsolescence based upon homeowner requirements and desires. The major characteristics of these residences that contribute to economic obsolescence are noted below.

- Small kitchens
- Lack of a dishwasher
- Small and chopped floor plan
- Dated wiring
- Few and small closets
- Single car or no driveway
- Steeply sloping front yard and steps
- Narrow hallways
- Small lots

While we have not made a conclusion of each individual improved property in the study area, it is our opinion that the only improved properties in the area that do not demonstrate economic or functional
obsolescence are the two national drug store locations and the national fast food locations. This is effectively 100% of the study area.

**Depreciation of Physical Maintenance**

This is a more widely reaching factor than either dilapidation or deterioration. By definition and practical application any building improvements that are dilapidated will also be deteriorated. Depreciation is a loss in property condition from any cause. That includes age and deferred maintenance. As per the Nielsen demographic information, the average year of construction in the study area was 1947. There is no question in our mind that all of the properties in the study area except new construction and possibly new major renovation demonstrate depreciation of physical maintenance. We estimate the presence of depreciation of physical maintenance at over 99%.

**Lack of Community Planning**

Community planning has changed dramatically over the years. Examples of the lack of community planning are identified below. A number of these relate to the entire study area other to specific properties, but each is applicable to our findings.

- Crown Center and Hallmark Cards are tremendous assets and there should a safe and functional pedestrian route from the study are to these employment centers. The distance is easily walkable but the route is uninviting.

- The existing park and trail system in the study are should be updated and should encourage community participation which it does not now do.

- Side streets within the study area are too narrow. With parking generally on both sides and the confusing pattern including one way and dead ends, the streets are a disincentive to reinvestment by the existing population or new investment. Life safety issues are also hampered by the street configuration and width.

- Parking regulations should be reevaluated also.

- The enforcement of code violations appears to be inconsistent. New performance codes for commercial and residential land uses and enforcement would facilitate greater investment.

- There are very few locations in the study area that would accommodate modern health care providers. It is critical to attract private medical office and health care development to the area. It is almost non-existent in the area at present and overlay districts or other zoning and development tools may attract this critical service with for profit development.

- Commercial development along Troost badly needs some direction. The automotive service uses are not necessarily consistent with the neighborhood. Streetscape requirements and zoning for Troost and the primary east west streets need to be examined and enhanced to help attract complimentary businesses.
• Zoning that specifically attracts multifamily housing to buffer locations and redirects single family uses away from the commercial areas will help property owners evaluate reinvestment options.

• Numerous industrial properties along Troost are inconsistent with potential reinvestment in the study area.

Conclusion
We have expressed throughout this report and in the individual study area discussion to follow our findings of the factors indicating conservation area. Our conclusions are summarized below.

• There are 2,739 improved properties within the study area. Of those, 2,433 or 89% have an age of thirty-five years or more.

• We found in our examination of the study area that 18% of the improved properties demonstrated dilapidation.

• Deterioration was present at 47% of the improved properties. This totaled 1,291 properties. This includes dilapidation as described above.

• We looked at properties that were below code. This is primarily lots which do not meet the current minimum lot requirements or exterior wall separation requirements. This is 44% of the improved properties.

• Abandonment is determined from Kansas City Missouri public works data and is present at 3% of the improved properties.

• Excessive vacancy is often difficult to measure from the street and considering the commercial uses. Based upon the number of improved properties the excessive vacancy is 12%. Were the factor to be based upon building square foot, the percentage would be significantly higher.

• Overcrowding is a subjective measure of the individual improved properties and the neighborhood. This is a somewhat subjective factor. However fire code has a minimum separation distance of five feet. We have identified that 62% of improved properties in the study area demonstrate overcrowding.

A preponderance of the properties in the study area must meet at least three of the factors included in the definition. There is no requirement that each improved property meet the same three factors. We are looking at the frequency or preponderance of example so we look to these individually measured factors. With deterioration/dilapidation at 47%, vacancy and abandonment at 15% combined, below minimum code at 44%, and overcrowding at 62% there are ample incidences of these factors within the study area. To demonstrate preponderance we add the factors of depreciation of physical maintenance, obsolescence, and lack of community planning. Considering that depreciation of physical maintenance and obsolescence are almost universal to the individual properties and the lack of community planning impacts many individual properties as well as all
properties based on land use code we find that the requirement of at least three conservation factors affecting a preponderance of the improved properties within an area to have been met.
Study Area 1

Aerial Map

Plat Map

Troost Area TIF Plan
Zoning Map
Conservation Area Factors

<table>
<thead>
<tr>
<th>Study Area 1</th>
<th>2823 Tracy – Dilapidation</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>![Image](Photo Taken on November 14-18, 2016)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Study Area 1</th>
<th>2700 Troost – Excessive Vacancy</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>![Image](Photo Taken on November 14-18, 2016)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Study Area 1</th>
<th>1320 E 29th St. - Overcrowding</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>![Image](Photo Taken on November 14-18, 2016)</td>
</tr>
</tbody>
</table>
Study Area 2

Aerial Map

Plat Map

Troost Area TIF Plan
Zoning Map

Troost Area TIF Plan
Property Specific Findings

<table>
<thead>
<tr>
<th>Property</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>3021 Highland</td>
<td>Deterioration</td>
</tr>
<tr>
<td>2931 Troost</td>
<td>Vacancy soon to be Wonder Bread Lofts</td>
</tr>
<tr>
<td>1317 E 29th</td>
<td>Overcrowding</td>
</tr>
</tbody>
</table>

(Photos taken on November 14-18, 2016)
Study Area 3

Aerial Map

Plat Map

Troost Area TIF Plan
Zoning Map
### Property Specific Findings

<table>
<thead>
<tr>
<th>Property</th>
<th>Description</th>
<th>Date Taken</th>
</tr>
</thead>
<tbody>
<tr>
<td>3121 Highland - Dilapidation</td>
<td></td>
<td>(Photo Taken on November 14-18, 2016)</td>
</tr>
<tr>
<td>3124 Forest - Abandonment</td>
<td></td>
<td>(Photo Taken on November 14-18, 2016)</td>
</tr>
<tr>
<td>3215 Highland - Dilapidation</td>
<td></td>
<td>(Photo Taken on November 14-18, 2016)</td>
</tr>
</tbody>
</table>
Study Area 4

Aerial Map

Plat Map

Troost Area TIF Plan
Zoning Map

Study Area 4

Troost Area TIF Plan
## Property Specific Findings

<table>
<thead>
<tr>
<th>Property</th>
<th>Description</th>
<th>Image</th>
</tr>
</thead>
<tbody>
<tr>
<td>3330 Troost - Vacant</td>
<td>Vacant property</td>
<td>![3330 Troost - Vacant](Photo Taken on November 14-18, 2016)</td>
</tr>
<tr>
<td>3414 Forest – Overcrowding</td>
<td>Overcrowding</td>
<td>![3414 Forest – Overcrowding](Photo Taken on November 14-18, 2016)</td>
</tr>
<tr>
<td>3306 Forest - Dilapidation</td>
<td>Dilapidated property</td>
<td>![3306 Forest - Dilapidation](Photo Taken on November 14-18, 2016)</td>
</tr>
</tbody>
</table>
Study Area 5

Aerial Map

Plat Map

Troost Area TIF Plan
Zoning Map

![Zoning Map Image]

Troost Area TIF Plan
### Property Specific Findings

<table>
<thead>
<tr>
<th>Property</th>
<th>Description</th>
<th>Date Taken</th>
</tr>
</thead>
<tbody>
<tr>
<td>3618 Troost</td>
<td>Excessive Vacancy</td>
<td>November 14-18, 2016</td>
</tr>
<tr>
<td>3530 Michigan</td>
<td>Dilapidation</td>
<td>November 14-18, 2016</td>
</tr>
<tr>
<td>1409 E 35th</td>
<td>Deterioration</td>
<td>November 14-18, 2016</td>
</tr>
</tbody>
</table>
Study Area 6

Aerial Map

Plat Map

Troost Area TIF Plan
Zoning Map
## Property Specific Findings

<table>
<thead>
<tr>
<th>Property</th>
<th>Description</th>
<th>Photo</th>
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</thead>
<tbody>
<tr>
<td>3706 Michigan</td>
<td>Deterioration</td>
<td><img src="image" alt="Photo Taken on November 14-18, 2016" /></td>
</tr>
<tr>
<td>3736 Wayne</td>
<td>Dilapidation and overcrowding</td>
<td><img src="image" alt="Photo Taken on November 14-18, 2016" /></td>
</tr>
<tr>
<td>3801 Troost</td>
<td>Excessive Vacancy</td>
<td><img src="image" alt="Photo Taken on November 14-18, 2016" /></td>
</tr>
</tbody>
</table>

Troost Area TIF Plan
Study Area 7

Aerial Map

Plat Map

Troost Area TIF Plan
Zoning Map
## Property Specific Findings

<table>
<thead>
<tr>
<th>Property</th>
<th>Description</th>
<th>Photo Taken On</th>
</tr>
</thead>
<tbody>
<tr>
<td>3922 Manheim</td>
<td>Overcrowding</td>
<td>November 14-18, 2016</td>
</tr>
<tr>
<td>4025 Troost</td>
<td>Deterioration</td>
<td>November 14-18, 2016</td>
</tr>
<tr>
<td>3910 Paseo</td>
<td>Dilapidation</td>
<td>November 14-18, 2016</td>
</tr>
</tbody>
</table>
Study Area 8

Aerial Map

Plat Map

Troost Area TIF Plan
Zoning Map
## Property Specific Findings

<table>
<thead>
<tr>
<th>Property</th>
<th>Description</th>
<th>Photo Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>4132 Tracy</td>
<td>Dilapidation</td>
<td>(Photo Taken on November 14-18, 2016)</td>
</tr>
<tr>
<td>4118 Forest</td>
<td>Overcrowding</td>
<td>(Photo Taken on November 14-18, 2016)</td>
</tr>
<tr>
<td>4129 Troost</td>
<td>Deterioration</td>
<td>(Photo Taken on November 14-18, 2016)</td>
</tr>
</tbody>
</table>
Study Area 9

Aerial Map

 Plat Map

Troost Area TIF Plan
Zoning Map
Property Specific Findings

<table>
<thead>
<tr>
<th>Property</th>
<th>Description</th>
<th>Photo Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>4446 Troost</td>
<td>Excessive Vacancy</td>
<td>(Photo Taken on November 14-18, 2016)</td>
</tr>
<tr>
<td>1128 E 44th</td>
<td>Overcrowding</td>
<td>(Photo Taken on November 14-18, 2016)</td>
</tr>
<tr>
<td>4414 Forest</td>
<td>Deterioration</td>
<td>(Photo Taken on November 14-18, 2016)</td>
</tr>
</tbody>
</table>
Study Area 10

Aerial Map

Plat Map
Property Specific Findings

1500 E 46th St. - Excessive Vacancy

4500 Michigan – Abandonment, Dilapidation

4530 Tracy - Overcrowding
Reconciliation and Report of Findings

As discussed previously, we use only the sales comparison approach in developing an opinion of condition for the study area. The cost and income approaches are not applicable, and are not used.

Based on the preceding valuation analysis and study area to the definitions, assumptions, and limiting conditions expressed in the report, our condition opinion follows:
Certification

We certify that, to the best of our 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 our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. We have no present or prospective interest in the property that is the study area of this report and no personal interest with respect to the parties involved.
4. We have appraised properties within the study area within the three-year period immediately preceding acceptance of this assignment. These appraisals were for use in financing.
5. We have no bias with respect to the property that is the study area of this report or to the parties involved with this assignment.
6. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined condition or direction in condition that favors the cause of the client, the amount of the condition opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this conservation study.
8. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Conservation study Practice as well as applicable state conservation study regulations.
9. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Conservation study Practice of the Conservation study Institute.
10. The use of this report is study area to the requirements of the Conservation study Institute relating to review by its duly authorized representatives.
11. Kenneth Jaggers, MAI, FRICS, made a personal inspection of the property that is the study area of this report. Dylan Becker has personally inspected the study area. [
12. We have experience in appraising properties similar to the study area and are in compliance with the Competency Rule of USPAP.

13. As of the date of this report, Kenneth Jaggers, MAI, FRICS has completed the continuing education program for Designated Members of the Conservation study Institute.

Kenneth Jaggers, MAI, FRICS
Certified General Real Estate Appraiser
Missouri Certificate # RA003190

Dylan Becker
Assumptions and Limiting Conditions

This conservation study and any other work product related to this engagement are limited by the following standard assumptions, except as otherwise noted in the report:

1. The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.

This conservation study and any other work product related to this engagement are study area to the following limiting conditions, except as otherwise noted in the report:

1. A conservation study is inherently subjective and represents our opinion as to the condition of the property studied.
2. The conclusions stated in our conservation study apply only as of the effective date of the conservation study, and no representation is made as to the effect of subsequent events.
3. No changes in any federal, state or local laws, regulations or codes (including, without limitation, the Internal Revenue Code) are anticipated.
4. No environmental impact studies were either requested or made in conjunction with this conservation study, and we reserve the right to revise or rescind any of the condition opinions based upon any subsequent environmental impact studies. If any environmental impact statement is required by law, the conservation study assumes that such statement will be favorable and will be approved by the appropriate regulatory bodies.
5. Unless otherwise agreed to in writing, we are not required to give testimony, respond to any subpoena or attend any court, governmental or other hearing with reference to the property without compensation relative to such additional employment.
6. We have made no survey of the property and assume no responsibility in connection with such matters. Any sketch or survey of the property included in this report is for illustrative purposes only and should not be considered to be scaled accurately for size. The conservation study covers the property as described in this report, and the areas and dimensions set forth are assumed to be correct.
7. No opinion is expressed as to the condition of subsurface oil, gas or mineral rights, if any, and we have assumed that the property is not study area to surface entry for the exploration or removal of such materials, unless otherwise noted in our conservation study.
8. We accept no responsibility for considerations requiring expertise in other fields. Such considerations include, but are not limited to, legal descriptions and other legal matters such as legal title, geologic considerations such as soils and seismic stability; and civil, mechanical, electrical, structural and other engineering and environmental matters. Such considerations may also include determinations of compliance with zoning and other federal, state, and local laws, regulations and codes.
9. The distribution of the total valuation in the report between land and improvements applies only under the reported highest and best use of the property. The allocations of condition for land and improvements must not be used in conjunction with any other conservation study and are invalid if so used. The conservation study report shall be considered only in its entirety. No part of the conservation study report shall be utilized separately or out of context.

10. Neither all nor any part of the contents of this report (especially any conclusions as to condition, the identity of the appraisers, or any reference to the Conservation study Institute) shall be disseminated through advertising media, public relations media, news media or any other means of communication (including without limitation prospectuses, private offering memoranda and other offering material provided to prospective investors) without the prior written consent of the persons signing the report.

11. Information, estimates and opinions contained in the report and obtained from third-party sources are assumed to be reliable and have not been independently verified.

12. Any income and expense estimates contained in the conservation study report are used only for the purpose of estimating condition and do not constitute predictions of future operating results.

13. If the property is study area to one or more leases, any estimate of residual condition contained in the conservation study may be particularly affected by significant changes in the condition of the economy, of the real estate industry, or of the studied property at the time these leases expire or otherwise terminate.

14. Unless otherwise stated in the report, no consideration has been given to personal property located on the premises or to the cost of moving or relocating such personal property; only the real property has been considered.

15. The current purchasing power of the dollar is the basis for the conditions stated in the conservation study; we have assumed that no extreme fluctuations in economic cycles will occur.

16. The conditions found herein are study area to these and to any other assumptions or conditions set forth in the body of this report but which may have been omitted from this list of Assumptions and Limiting Conditions.

17. The analyses contained in the report necessarily incorporate numerous estimates and assumptions regarding property performance, general and local business and economic conditions, the absence of material changes in the competitive environment and other matters. Some estimates or assumptions, however, inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the period covered by our analysis will vary from our estimates, and the variations may be material.

18. The Americans with Disabilities Act (ADA) became effective January 26, 1992. We have not made a specific survey or analysis of the property to determine whether the physical aspects of the improvements meet the ADA accessibility guidelines. We claim no expertise in ADA issues, and render no opinion regarding compliance of the study area with ADA regulations.
Inasmuch as compliance matches each owner’s financial ability with the cost to cure the non-conforming physical characteristics of a property, a specific study of both the owner’s financial ability and the cost to cure any deficiencies would be needed for the Department of Justice to determine compliance.

19. The conservation study report is prepared for the exclusive benefit of the Client, its subsidiaries and/or affiliates. It may not be used or relied upon by any other party. All parties who use or rely upon any information in the report without our written consent do so at their own risk.

20. No studies have been provided to us indicating the presence or absence of hazardous materials on the study area property or in the improvements, and our valuation is predicated upon the assumption that the study area property is free and clear of any environment hazards including, without limitation, hazardous wastes, toxic substances and mold. No representations or warranties are made regarding the environmental condition of the study area property. Integra Realty Resources – Kansas City, Integra Realty Resources, Inc., Integra Strategic Ventures, Inc. and/or any of their respective officers, owners, managers, directors, agents, subcontractors or employees (the “Integra Parties”), shall not be responsible for any such environmental conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because we are not experts in the field of environmental conditions, the conservation study report cannot be considered as an environmental assessment of the study area property.

21. The persons signing the report may have reviewed available flood maps and may have noted in the conservation study report whether the study area property is located in an identified Special Flood Hazard Area. We are not qualified to detect such areas and therefore do not guarantee such determinations. The presence of flood plain areas and/or wetlands may affect the condition of the property, and the condition conclusion is predicated on the assumption that wetlands are non-existent or minimal.

22. Integra Realty Resources – Kansas City is not a building or environmental inspector. Integra Kansas City does not guarantee that the study area property is free of defects or environmental problems. Mold may be present in the study area property and a professional inspection is recommended.

23. It is expressly acknowledged that in any action which may be brought against any of the Integra Parties, arising out of, relating to, or in any way pertaining to this engagement, the conservation study reports, and/or any other related work product, the Integra Parties shall not be responsible or liable for any incidental or consequential damages or losses, unless the conservation study was fraudulent or prepared with intentional misconduct. It is further acknowledged that the collective liability of the Integra Parties in any such action shall not exceed the fees paid for the preparation of the conservation study report unless the conservation study was fraudulent or prepared with intentional misconduct. Finally, it is acknowledged that the fees charged herein are in reliance upon the foregoing limitations of liability.

24. Integra Realty Resources – Kansas City, an independently owned and operated company, has prepared the conservation study for the specific intended use stated elsewhere in the report.
The use of the conservation study report by anyone other than the Client is prohibited except as otherwise provided. Accordingly, the conservation study report is addressed to and shall be solely for the Client’s use and benefit unless we provide our prior written consent. We expressly reserve the unrestricted right to withhold our consent to your disclosure of the conservation study report or any other work product related to the engagement (or any part thereof including, without limitation, conclusions of condition and our identity), to any third parties. Stated again for clarification, unless our prior written consent is obtained, no third party may rely on the conservation study report (even if their reliance was foreseeable).

25. The conclusions of this report are estimates based on known current trends and reasonably foreseeable future occurrences. These estimates are based partly on property information, data obtained in public records, interviews, existing trends, buyer-seller decision criteria in the current market, and research conducted by third parties, and such data are not always completely reliable. The Integra Parties are not responsible for these and other future occurrences that could not have reasonably been foreseen on the effective date of this assignment. Furthermore, it is inevitable that some assumptions will not materialize and that unanticipated events may occur that will likely affect actual performance. While we are of the opinion that our findings are reasonable based on current market conditions, we do not represent that these estimates will actually be achieved, as they are study area to considerable risk and uncertainty. Moreover, we assume competent and effective management and marketing for the duration of the projected holding period of this property.
Addendum A

Appraiser Qualifications
Kenneth Jaggers, MAI, FRICS

Experience
Mr. Jaggers, Senior 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. Jaggers joined BankBoston and supervised field and review appraisers for two years. Duties included quality control over acquired banks in Maine and Vermont. As Managing Director since 2004 Mr. Jaggers has overseen all appraisal and consulting activity conducted through the Kansas City office of Integra.

Since that time and while at Integra he has completed appraisals on commercial properties of all types, primarily for institutional investors and for litigation. Unique properties include the 1,140,000 SF IRS Processing Facility and the 600,000 SF Overland Park Trade Center exhibition hall. He has appraised the Corporate Woods Business Park in Overland Park, Kansas, which is the largest single investor owned real estate asset in the Kansas City area. Mr. Jaggers’ areas of specialty include development consulting, highest and best use feasibility analysis, and disposition consulting.

Mr. Jaggers also serves as Director for our St. Louis and Chicago offices. Significant appraisal assignments include the Bank of America Plaza office tower – 30 stories with >850,000 SF; One AT&T Center office tower – 42 stories with nearly 1.5 million SF; the 13 story Blu City Spaces condominium; and Gateway Tower office high-rise.

Portfolios managed include >800 office and retail properties for an investment bank, 34 apartment properties for a pension advisor, 19 office and flex industrial properties for a pension advisor, as well as numerous multiple property projects for eminent domain.

Professional Activities & Affiliations
Westwood City Planning Commission 2000 - 2015
UMKC Bloch School - Lewis White Real Estate Center: Lecturer and Case Studies Judge
Blue Springs EDC - Market Trends: Lecturer 2006-2010
Appraisal Institute, Member (MAI) President - Kansas City Chapter Appraisal Institute 2010
Royal Institute of Chartered Surveyors, Fellow (FRICS) Fellow of the Royal Institution of Chartered Surveyors

Licenses
Missouri, Certified General Real Estate Appraiser, RA 003190, Expires June 2018
Kansas, Certified General Real Property Appraiser, G-969, Expires June 2017
Iowa, Certified General Real Property Appraiser, CG02446, Expires June 2018
Nebraska, Certified General Real Estate Appraiser, CG970204, Expires December 2016
Illinois, Certified General Real Estate Appraiser, 553.002180, Expires September 2017
Arkansas, Certified General Real Estate Appraiser, CG 3889, Expires June 2017
South Dakota, State Certified General Appraiser, 1350CG, Expires September 2017

Education

kjaggers@irr.com - 913.748.4704 x
Education (Cont'd)

Bachelor of Arts (1983) Chadron State College, Chadron, Nebraska
Economics and Marketing, Minor in Business Administration

Mr. Jaggers 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 3rd Party Multifamily Accelerated Processing (MAP), September 18, 2002.
IRR Certified Reviewer Seminar

Qualified Before Courts & Administrative Bodies

Circuit Court of Jackson County, Missouri
Kansas District Court, 7th Judicial District
State Tax Commission of Missouri
Kansas Board of Tax Appeals

Experience with Municipalities/Administrative Bodies:
Mr. Jaggers has provided expert testimony to a number of taxing authorities, city councils, boards of planning and zoning, commissioners' hearings, and bodies providing public finance. His expertise is sought by the administrative bodies and by the private developers.
State of Missouri

Department of Insurance, Financial Institutions and Professional Registration
Division of Professional Registration
Real Estate Appraisers Commission
State Certified General Real Estate Appraiser

VALID THROUGH JUNE 30, 2018
ORIGINAL CERTIFICATE/LICENSE NO. RA003190

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

Valerie Beauchamp
EXECUTIVE DIRECTOR

Shirley Duke Danner
DIVISION DIRECTOR
Dylan Becker

Experience
Dylan Becker, Analyst, joined Integra Realty Resources in August 2016. Mr. Becker has experience in valuation analysis of industrial, office, retail, and multifamily properties. Additional assignments include market rent studies and feasibility studies. Mr. Becker attended Missouri State University for his undergraduate degree in finance.

Education
Missouri State University – Springfield, MO
B.S. Finance, May 2015
AIMCO
Allen Bank & Trust
Alloy Irish Bank
American Real Estate Group
Amerisphere Multifamily Finance
Arbor National
Arvest Bank
Associated Bank
Bank of America
Bank of Belton
Bank of Blue Valley
Bank of Jacono
Bank Midwest
Bank of Odessa
Bank of Prairie Village
Bank of the West
Barclays Capital
BMO Harris Bank
Bayview Financial
Bremner Bank
Capital City Bank
Capital Source Bank
Centerline Capital Group
Central Bank of Kansas City
Citibank
Citizens Bank, N.A.
Citizens Bank & Trust
Clay County Savings & Loan
Commercial Bank, N.A.
Cornerstone Bank
Country Club Bank
Credit Suisse
Credit Union of America
CS First Boston
Draper & Kramer
Enterprise Bank
First Bank of Missouri
First National Bank of Chicago
First National Bank of Kansas
First National Bank of Olathe
First Nationwide Bank
Gershman Mortgage
GMAC Commercial Mortgage
Goldman Sachs
Grandbridge
Great Southern
Harris Bank
Hillcrest Bank
Imperial Capital Bank
Industrial State Bank
Intrust Bank
JPM Morgan Chase
James B. Nutter Company
Johnson County Credit Union
KeyBank
Looking Glass LTD
Mission Bank
Missouri Bank & Trust
North American Savings
Old National Bank
Peoples Bank
PNC Bank
Prudential Mortgage
Pulaski Bank
The Private Bank
Security Bank
Security Financial
Standard Bank & Trust
Sun America
UMB Bank
Union Bank
US Bank
Valley View State Bank
Wells Fargo
Coldwell Banker Real Estate
Crown Realty, Inc.
Eugene D. Brown Realtors
Reece & Nichols
Pre-development
RE/MAX Realtors
Amresco Advisors
AT&T Investment Management
Block & Company Advisors, Inc.
Block Real Estate Services, LLC
Briante Development
CBRE
Cerner Development
Cl奈 Asset Management
Colliers International
Copaken Brooks
Coulson & Company
Dean Realty
Fishman & Company
Highwoods Realty L.P.
Jones Lang LaSalle
Joseph C Sansone Company
Karbank Real Estate Company
Kessinger Hunter
Lane 4
Lioness Realty
LNR Partners
Management Associates
Maxicare
MC Lioness Realty Group
North Star Development
Price Brothers
Property Company of America
Quadrangle, LLC
R.H. Sailors & Co.
Realwest, Inc.
RED Development
Retirement Management Co.
RH Johnson Company
RHW Management
Stephens & Company
Salvage Development
Summit
Superior Bowen
Tower Properties
Trammell Crow
Varnum/Armstrong/Deeter
Zimmer Companies
Allstate Appraisal, L.P.
AMC
Ameren
American Airlines
Amheuser Busch Co., Inc.,
Ashgrove Cement
Athena Corporation
Aventis
B.C. Christopher Securities
Baird, Kurtz & Dodson
Black & Veatch
BP Products
Burns & McDonnell
Butler Manufacturing Co.
Cerner Corporation
Custom Color
DeBello & Touche LLP
Dodson Group
DST Systems, Inc.
Employee Relocation Council
Entertainment Properties Trust
First Industrial Realty Trust
Ford Motor Company
GE Capital
General Motors Corporation
George K. Baum & Company
Greystone Graphics
Hall Foundation
Hallmark Cards, Inc.
Health Midwest
Hoescht Marion Roussel
Hunt-Midwest
Inland Investments
J.C. Penney Company
J.E. Dunn Construction Co.
John Deere & Company
Meara & Company
KPMG, LLP
KU Medical Center
Kansas City Power & Light
Kansas City Southern Industries
KCP&L
Kraft Foods
Lab One
LNR Partners
The Markey Company
Mark One Electric Company
Menorah Medical Center
Fenner & Smith, Inc.
Michelin
North KC Memorial Hospital
Olathe Medical Center
Olathe School District
Price Waterhouse Coopers
PDP Valuation, Inc.
Property Tax Representatives
Puritan Bennett Corporation
Research Medical Center
Saint Joseph Health Center
Sanofi-Aventis
St. Luke’s Hospital of KC
Shawnee Mission USD 512
Shell CFPUS
Sprint
Standard Havens, Inc.
Stern Brothers & Company
Trinity Lutheran Hospital
United Telecommunications, Inc.
Utilicor
Yellow Freight Systems, Inc.
Aetna Insurance
Allstate Insurance Co.
American Family Insurance
American Fidelity Assurance
CalPERS
Central Life Insurance
Commercial Union Insurance
Cornerstone Real Estate Advisors
Eaton Vance Managed Investments
Equitable
KC Life Insurance Company
LaSalle Investment Management
Metropolitan Life
Mutual of New York
New Life
Northwestern Mutual Life
PM Realty Advisors
Prudential Financial
State Farm
STRS of Ohio
TIAA-CREF
Transamerica Life Insurance Annuity Company
Travelers Insurance
Travelers Pension Fund
Union Labor Life Insurance
Urgand & Associates
US Realty Advisors
USF&G
Zurich of American Insurance
City of Blue Springs, Missouri
City of Branson, Missouri
City of DeSoto, Kansas
City of Fulton, Missouri
City of Gardner, Kansas
City of Gladstone, Missouri
City of Grandview, Missouri
City of Harrisonville, Missouri
City of Independence, Missouri
City of Kansas City, Kansas
City of Kansas City, Missouri
City of Leavenworth, Kansas
City of Leawood, Kansas
City of Lee’s Summit, Missouri
City of Lenexa, Kansas
City of Liberty, Missouri
City of Manhattan, Kansas
City of Merriam, Kansas
City of Mission, Kansas
City of Olathe, Kansas
City of Overland Park, Kansas
City of Prairie Village, Kansas
City of Raytown, Missouri
City of Shawnee, Kansas
City of Springfield, Missouri
City of Topeka, Kansas
City of Westwood, Kansas
County Commissioners –
Johnson County, Kansas
CRIMI MAE
Department of HUD
Department of the Navy
Economic Development Corp.
Farm Credit Services
FDIC
FHLMC
FNMA
Franklin County Commissioners
GSA
Internal Revenue Service
Jefferson County, Missouri
Johnson County District Court
Johnson County Housing Services
Johnson County Parks & Recreation
Johnson County Substance Abuse Services
KCCID
KC Port Authority
K.C. Redevelopment Authority
KCMO School District
Kansas Dept. of Transportation
Kansas Public Employees
KHCRC
LORA
M-HDC/State of Missouri
METRA
Metroplis St. Louis Sewer District
Mersen
Rockford Housing Authority
PIEA
RTC
St. Charles County Government
St. Louis County Economic Council
Unified Government of Wyandotte County /
Kansas City, Kansas
University of Missouri
United States Postal Service
USDJ

Armstrong Teasdale, LLP
Bryan Cave, LLP
Buchalter, Nemer, Cassady & Beech
Ensz & Jester, PC
Orrick & Associates, LLP
Humphrey, Farrington, & McClain PC
Husch Blackwell, LLP
King Hershey, PC
Kirkland Woods & Martin, PC
Lathrop & Gage, LLP
Levy & Craig
Lewis, Rice & Fingers, LC
Low, Farmer, Bacon & Roe
Mayer Brown LLP
McAnany, Van Cleave & Phillips, PA
McDermott Will & Emery LLP
McDowell, Rice, Smith & Buchanan, PC
Hubbard, Ruzicka, Kreamer & Kincic, LLC
Kriegel & Kriegel, PC
Payne & Jones, Chtd.
Polsinelli Shughart PC
Sanders Warren & Russell, LLP
Schlagel Kinzer LLC
Sherman, Taff Bantarg, et al
Shook, Hardy & Bacon, LLP
Seigfreid, Bingham, Levy, Selzer &
Gee, PC
SNR Denton US LLP
Sonnenchein, Nath & Rosenthal, LLP
Spencer Fane Britt & Brown, LLP
Stinson Morrison Hecker, LLP
Wallace, Sanders, et al
White Goss Bowers March Schulte &
Weisentel
Winston & Stawm LLP
Wyrsh, Hobbs & Mirakian, PC

May 25, 2012

Clients served by Integra Realty Resources – Kansas/Missouri/Illinois, Inc.
Department of HUD
CRIMI MAE
Allstate Insurance Co.
American Family Insurance
American Fidelity Assurance
CalPERS
Central Life Insurance
Commercial Union Insurance
Cornerstone Real Estate Advisors
Eaton Vance Managed Investments
Equitable
KC Life Insurance Company
LaSalle Investment Management
Metropolitan Life
Mutual of New York
New Life
Northwestern Mutual Life
PM Realty Advisors
Prudential Financial
State Farm
STRS of Ohio
TIAA-CREF
Transamerica Life Insurance Annuity Company
Travelers Insurance
Travelers Pension Fund
Union Labor Life Insurance
Urgand & Associates
US Realty Advisors
USF&G
Zurich of American Insurance

City of Blue Springs, Missouri
City of Branson, Missouri
City of DeSoto, Kansas
City of Fulton, Missouri
City of Gardner, Kansas
City of Gladstone, Missouri
City of Grandview, Missouri
City of Harrisonville, Missouri
City of Independence, Missouri
City of Kansas City, Kansas
City of Kansas City, Missouri
City of Leavenworth, Kansas
City of Leawood, Kansas
City of Lee’s Summit, Missouri
City of Lenexa, Kansas
City of Liberty, Missouri
City of Manhattan, Kansas
City of Merriam, Kansas
City of Mission, Kansas
City of Olathe, Kansas
City of Overland Park, Kansas
City of Prairie Village, Kansas
City of Raytown, Missouri
City of Shawnee, Kansas
City of Springfield, Missouri
City of Topeka, Kansas
City of Westwood, Kansas
County Commissioners –
Johnson County, Kansas
CRIMI MAE
Department of HUD
Department of the Navy
Economic Development Corp.
Farm Credit Services
FDIC
FHLMC
FNMA
Franklin County Commissioners
GSA
Internal Revenue Service
Jefferson County, Missouri
Johnson County District Court
Johnson County Housing Services
Johnson County Parks & Recreation
Johnson County Substance Abuse Services
KCCID
KC Port Authority
K.C. Redevelopment Authority
KCMO School District
Kansas Dept. of Transportation
Kansas Public Employees
KHCRC
LORA
M-HDC/State of Missouri
METRA
Metroplis St. Louis Sewer District
Mersen
Rockford Housing Authority
PIEA
RTC
St. Charles County Government
St. Louis County Economic Council
Unified Government of Wyandotte County /
Kansas City, Kansas
University of Missouri
United States Postal Service
USDJ

Armstrong Teasdale, LLP
Bryan Cave, LLP
Buchalter, Nemer, Cassady & Beech
Ensz & Jester, PC
Orrick & Associates, LLP
Humphrey, Farrington, & McClain PC
Husch Blackwell, LLP
King Hershey, PC
Kirkland Woods & Martin, PC
Lathrop & Gage, LLP
Levy & Craig
Lewis, Rice & Fingers, LC
Low, Farmer, Bacon & Roe
Mayer Brown LLP
McAnany, Van Cleave & Phillips, PA
McDermott Will & Emery LLP
McDowell, Rice, Smith & Buchanan, PC
Hubbard, Ruzicka, Kreamer & Kincic, LLC
Kriegel & Kriegel, PC
Payne & Jones, Chtd.
Polsinelli Shughart PC
Sanders Warren & Russell, LLP
Schlagel Kinzer LLC
Sherman, Taff Bantarg, et al
Shook, Hardy & Bacon, LLP
Seigfreid, Bingham, Levy, Selzer &
Gee, PC
SNR Denton US LLP
Sonnenchein, Nath & Rosenthal, LLP
Spencer Fane Britt & Brown, LLP
Stinson Morrison Hecker, LLP
Wallace, Sanders, et al
White Goss Bowers March Schulte &
Weisentel
Winston & Stawm LLP
Wyrsh, Hobbs & Mirakian, PC

May 25, 2012
Integra Realty Resources, Inc.
Corporate Profile

Integra Realty Resources, Inc. offers the most comprehensive property valuation and counseling coverage in North America with 58 independently owned and operated offices located throughout the United States and the Caribbean. Integra was created for the purpose of combining the intimate knowledge of well-established local firms with the powerful resources and capabilities of a national company. Integra offers integrated technology, national data and information systems, as well as standardized valuation models and report formats for ease of client review and analysis. Integra’s local offices have an average of 25 years of service in the local market, and virtually all are headed by a Senior Managing Director who is an MAI member of the Conservation study Institute.

A listing of IRR’s local offices and their Senior Managing Directors follows:

ATLANTA, GA - Sherry L. Watkins, MAI, FRICS
AUSTIN, TX - Randy A. Williams, MAI, SR/WA, FRICS
BALTIMORE, MD - G. Edward Kerr, MAI, MRICS
BIRMINGHAM, AL - Rusty Rich, MAI, MRICS
BOISE, ID - Bradford T. Knipe, MAI, ARA, CCIM, CRE, FRICS
BOSTON, MA - David L. Cary, Jr., MAI, MRICS
CHARLESTON, SC - Cleveland "Bud" Wright, Jr., MAI
CHARLOTTE, NC - Fitzhugh L. Stout, MAI, CRE, FRICS
CHICAGO, IL - Eric L. Enloe, MAI, FRICS
CINCINNATI/DAYTON, OH - Gary S. Wright, MAI, FRICS, SRA
CLEVELAND, OH - Douglas P. Sloan, MAI
COLUMBIA, SC - Michael B. Dodds, MAI, CCIM
COLUMBUS, OH - Bruce A. Daubner, MAI, FRICS
DALLAS, TX - Mark R. Lamb, MAI, CPA, FRICS
DENVER, CO - Brad A. Weiman, MAI, FRICS
DETROIT, MI - Anthony Sanna, MAI, CRE, FRICS
FORT WORTH, TX - Gregory B. Cook, MAI, SR/WA
GREENSBORO, NC - Nancy Tritz, MAI, SRA, FRICS
HARTFORD, CT - Mark F. Yates, MAI, CRE, FRICS
HOUSTON, TX - David R. Dominy, MAI, CRE, FRICS
INDIANAPOLIS, IN - Michael C. Lady, MAI, SRA, CCIM, FRICS
JACKSON, MS - John R. Praytor, MAI
JACKSONVILLE, FL - Robert Crenshaw, MAI, FRICS
KANSAS CITY, MO/KS - Kenneth Jaggars, MAI, FRICS
LAS VEGAS, NV - Charles E. Jack IV, MAI
LOS ANGELES, CA - John G. Ellis, MAI, CRE, FRICS
LOS ANGELES, CA - Matthew J. Swanson, MAI
LOUISVILLE, KY - Stacey Nicholas, MAI, MRICS
MEMPHIS, TN - J. Walter Allen, MAI, FRICS
MIAMI/PALM BEACH, FL - Anthony M. Graziano, MAI, CRE, FRICS
MINNEAPOLIS, MN - Michael F. Amundson, MAI, CCIM, FRICS
NAPLES, FL - Carlton J. Lloyd, MAI, FRICS
NASHVILLE, TN - R. Paul Perutelli, MAI, SRA, FRICS
NEW JERSEY COASTAL - Halvor J. Egeland, MAI
NEW JERSEY NORTHERN - Matthew S. Krauser, CRE, FRICS
NEW YORK, NY - Raymond T. Orcz, MAI, CRE, FRICS
ORANGE COUNTY, CA - Steve Calandra, MAI
ORLANDO, FL - Christopher Starkey, MAI, MRICS
PHILADELPHIA, PA - Joseph D. Pasquaella, MAI, CRE, FRICS
PHOENIX, AZ - Walter 'Tres' Winius III, MAI, FRICS
PITTSBURGH, PA - Paul D. Griffith, MAI, CRE, FRICS
PORTLAND, OR - Brian A. Glenville, MAI, CRE, FRICS
PROVIDENCE, RI - Gerard H. McDonough, MAI, FRICS
RALEIGH, NC - Chris R. Morris, MAI, FRICS
RICHMOND, VA - Kenneth L. Brown, MAI, CCIM, FRICS
SACRAMENTO, CA - Scott Beebe, MAI, FRICS
ST. LOUIS, MO - P. Ryan McDonald, MAI, FRICS
SALT LAKE CITY, UT - Darrin W. Liddell, MAI, FRICS, CCIM
SAN DIEGO, CA - Jeff A. Greenwald, MAI, SRA, FRICS
SAN FRANCISCO, CA - Jan Kleczewski, MAI, FRICS
SARASOTA, FL - Carlton J. Lloyd, MAI, FRICS
SEATTLE, WA - Allen N. Safer, MAI, MRICS
SYRACUSE, NY - William J. Kimball, MAI, FRICS
TAMPA, FL - Bradford L. Johnson, MAI, MRICS
TULSA, OK - Owen S. Ard, MAI
WASHINGTON, DC - Patrick C. Kerr, MAI, FRICS, SRA
WILMINGTON, DE - Douglas L. Nickels, MAI, FRICS
CARIBBEAN/CAYMAN ISLANDS - James Andrews, MAI, FRICS
EXHIBIT 10:
Evidence of Financing Commitment
CITY MANAGER'S AFFIDAVIT TO COMMIT ECONOMIC ACTIVITY TAXES

STATE OF MISSOURI )
COUNTY OF JACKSON ) ss.

1. I, Troy Schulte, am the City Manager of the City of Kansas City, Missouri, a constitutional charter city and political subdivision duly organized and validly existing under the laws of the State of Missouri (the "City") and I am authorized to provide this affidavit on behalf of the City.

2. I am charged with the responsibility of submitting an Annual Budget to the Mayor of the City (the "Mayor"), which shall include, at a minimum, the following:
   
   a. **Revenues**: An itemized statement of estimated revenues to be realized in cash from all sources for the year which the budget is to cover, together with a comparative statement of estimated cash receipts for the current fiscal year and actual cash receipts for the two fiscal years next preceding the current fiscal year.
   
   b. **Appropriation**: An itemized statement of appropriations, which is based, in part, on requests for appropriation from the head of each department under the City Manager, for the ensuing year, with a comparative statement of estimated expenditures for the current fiscal year and actual expenditures for the two fiscal years next preceding the current fiscal year.
   
   c. **Additional information**: Such other information as may be required by the Mayor and the City Council of the City (the "Council").

3. I will submit a budget to the Mayor, in each fiscal year in which economic activity taxes are anticipated to be generated within the Redevelopment Area described by the Troost Area Tax Increment Financing Plan (the "TIF Plan"), that will include an amount that is equal to that portion of such annually anticipated economic activity taxes as allocated pursuant to Section 99.845.3, RSMo; provided, however, the decision to budget or not to budget an amount equal to such economic activity taxes shall be made solely by the respective governing body of the City and not by any other official of the City.

4. I agree to do all things lawfully within my power to cause the City to obtain and maintain funds from which the economic activity taxes may be utilized to pay redevelopment project costs identified by the TIF Plan, including making provision for such amounts to the extent necessary in each proposed annual budget submitted for approval in accordance with applicable procedures of the City.

5. The undersigned acknowledges and agrees that this Affidavit is being materially relied upon by the Tax Increment Financing Commission of Kansas City, Missouri (the "Commission") in connection with its consideration of the Troost Area TIF Plan.

{File EDCKC/60/ADM/ADMST/99/00191254.DOC /}
The information, statements and averments in this Affidavit are, to the best of my knowledge and belief, true, accurate and complete in all material respects.

(SEAL)

CITY OF KANSAS CITY, MISSOURI

By: __________________________
   Troy Schulte, City Manager

ATTEST:

By: __________________________
   City Clerk

Approved as to form:

By: __________________________
   Assistant City Attorney

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EXHIBIT 11:
Relocation Assistance

The Plan does not contemplate the relocation of any businesses or residents.