LINWOOD SHOPPING CENTER
TAX INCREMENT FINANCING PLAN

KANSAS CITY, MISSOURI

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

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1. SUMMARY

The Linwood Shopping Center Tax Increment Financing Plan (the “Plan” or “Redevelopment Plan”) provides for the construction of approximately 64,580 square feet of retail space, including a grocery store, parking and all necessary appurtenances and utilities to support such development (the “Project Improvements”) in an area generally bounded by 31st Street on the North, Linwood Boulevard on the South, Montgall Avenue on the East, and Olive Street on the West, all in Kansas City, Jackson County, Missouri (the “Redevelopment Area”).

The Redevelopment Area is approximately 11.5 acres and it will consist of three (3) Redevelopment Project Areas, with Redevelopment Project 1 consisting of 38,000 square feet of retail space, Redevelopment Project 2 consisting of approximately 14,000 square feet of retail space and Redevelopment Project 3 consisting of approximately 12,000 square feet of retail space.

The estimated Redevelopment Project Costs to implement the Project Improvements contemplated by the Plan are approximately $14,944,416, all of which is to be reimbursed from TIF Revenue (as hereafter defined). The Reimbursable Project Costs are identified on Exhibit 4A, attached to this Plan.

The total initial equalized assessed valuation of the Redevelopment Area according to current records at the Jackson County Assessor’s Office is approximately $555,583. The current combined ad valorem property tax levy is projected to be $7.9873 per $100 assessed valuation in Jackson County. The 2015 annual ad valorem tax revenue generated within the Redevelopment Area was approximately $44,376. The total initial equalized assessed valuation of each Redevelopment Project Area will be determined prior to the time the Redevelopment Project Area is designated by Ordinance.

Pursuant to the Act, Tax Increment Financing provides that Economic Activity Taxes and Payment in Lieu of Taxes generated and collected within the Redevelopment Project Areas for a twenty-three (23) year period may be used to pay or reimburse Redevelopment Project Costs.

Calculations of expected proceeds of Payments in Lieu of Taxes are based on current real property assessment formulas and current and anticipated property tax rates, both of which are subject to change due to many factors, including reassessment, the effects of real property classification for real property tax purposes, and the rollback in tax levies resulting from reassessment or classification. The estimated total Payments in Lieu of Taxes generated within the Redevelopment Project Areas over the period tax increment financing shall be authorized is $3,122,584. Those Payments in Lieu of Taxes are shown on Exhibit 6. Any Payments in Lieu of Taxes that exceed the amount necessary for such reimbursement, subject to Section 99.850, shall be declared surplus and be available for distribution to the various Taxing Districts located partially or wholly within the Redevelopment Area in the manner provided by the Act.

The estimated Economic Activity Taxes generated within the Redevelopment Project Area and, subject to appropriation by the City Council, that will be available to pay Reimbursable Project Costs are approximately $5,352,370. Those Economic Activity Taxes are shown on Exhibit 6. Any Economic Activity Taxes that exceed the amount necessary for such
reimbursement, subject to Section 99.850, shall be declared surplus and shall be available for
distribution to various Taxing Districts located partially or wholly within the Redevelopment
Area in the manner provided by the Act.

Upon the reimbursement of all Reimbursable Project Costs, subject to Section 99.850, Tax Increment Financing will be terminated and the Taxing Districts (as hereafter defined), shall receive all taxes generated within the Redevelopment Project Areas.

I. DEFINITIONS

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

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


F. “Economic Activity Taxes,” the total additional revenue from taxes which are imposed by a municipality and other taxing districts, and which are generated by economic activities within a redevelopment area over the amount of such taxes generated by economic activities within such redevelopment area in the calendar year prior to the adoption of the ordinance designating such a redevelopment 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, or by any other appropriate issuer, approved by the City, 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 a city, town, or village or a county or an order of the governing body of a county whose governing body is not authorized to enact ordinances.

J. “Payment in Lieu of Taxes,” those estimated revenues from real property in the area selected for a redevelopment project, which revenues according to the redevelopment project or plan are to be used for a private use, which taxing districts would have received had a Municipality not adopted tax increment allocation financing, and which would result from levies made after the time of the adoption of tax increment allocation financing during the time the current equalized value of real property in the 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 of the Redevelopment Project from which they are derived, the lien of which may be foreclosed in the same manner as a special assessment lien as provided in Section 88.861 RSMo.
K. “Project Improvements,” those development activities undertaken within the Redevelopment Area as described by Section III.C., and are intended to accomplish the objectives of the Redevelopment Plan.

L. “Redeveloper,” the business organization or other entity selected by the Commission to implement the Redevelopment Plan, or a Redevelopment Project (s)

M. “Redevelopment Agreement,” the agreement between the Commission and Redeveloper for the implementation of the Redevelopment Plan.

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

O. “Redevelopment Plan” or “Plan,” the Linwood Shopping Center Tax Increment Financing Plan.

P. “Redevelopment Projects,” each of Redevelopment Project 1, Redevelopment Project 2 and Redevelopment Project 3 located within the Redevelopment Area that is in furtherance of the objectives of the Redevelopment Plan and that is approved pursuant to the Act.

Q. “Redevelopment Project Areas,” the areas selected for each specific redevelopment project as described on Exhibit 1.B and designated by separate Ordinance.

R. “Redevelopment Project Costs” include the sum total of all reasonable or necessary costs incurred or estimated to be incurred, any such costs incidental to the Redevelopment Plan and/or a Redevelopment Project. Such costs include, but are not limited to the following:

1. Costs of studies, surveys, plans and specifications;

2. Professional service costs, including, but not limited to, architectural, engineering, legal, marketing, financial, planning or special services. Except the reasonable costs incurred by the commission established in section 99.820 for the administration of sections 99.800 to 99.865, such costs shall be allowed only as an initial expense which, to be recoverable, shall be included in the costs of the Redevelopment Plan or a Redevelopment Project;

3. Property assembly costs, including but not limited to, acquisition of land and other property, real or personal, or rights or interests therein, demolition of buildings, and the clearing and grading of land;

4. Costs of rehabilitation, reconstruction, repair or remodeling of existing buildings and fixtures;

5. Cost of construction of public works or improvements:
6. Financing costs, including, but not limited to all necessary and incidental expenses related to the issuance of Obligations, and which may include payment of interest on any Obligations issued hereunder accruing during the estimated period of construction of any Redevelopment Project for which such Obligations are issued and for not more than eighteen months thereafter, and including reasonable reserves related thereto;

7. All or a portion of a taxing district’s capital cost resulting from the Redevelopment Project necessarily incurred or to be incurred in furtherance of the objectives of the Redevelopment Plan and Redevelopment Project, to the extent the municipality by written agreement accepts and approves such costs;

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

9. Payments in lieu of taxes.

S. “Reimbursable Project Costs.” Fourteen Million, Nine Hundred and Forty Four Thousand, Four Hundred and Sixteen and no/100 Dollars ($14,944,416) of the Redevelopment Project Costs, as specifically identified on Exhibit 4A, attached hereto.

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 Plan, maintained by the treasurer of the City or the treasurer of the Commission into which payments in lieu of taxes and other revenues are deposited in the other account.

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 Area having the power to levy taxes.


II. TAX INCREMENT FINANCING

This Plan is adopted pursuant to Act. The Act enables municipalities to finance Redevelopment Project Costs with the revenue generated from Payments in Lieu of Taxes and 50% of the Economic Activity Taxes. This Redevelopment Plan shall be filed of record against all real property in the approved Redevelopment Project Area.

III. GENERAL DESCRIPTION OF PLAN AND PROJECT.

A. The Redevelopment Plan. The Linwood Shopping Center Tax Increment Financing Redevelopment Plan (the “Redevelopment Plan”) is to be developed by
the City of Kansas City, Missouri, unless and until a private developer is so designated by the Commission. The Plan provides, in part, for the construction of approximately 38,000 square feet of retail space within Redevelopment Project Area 1, approximately 14,000 square feet of retail space within Redevelopment Project Area 2, and approximately 12,000 square feet of retail space within Redevelopment Project Area 3.

B. Redevelopment Area. The Redevelopment Area is described as an generally bounded by 31st Street on the North, Linwood Boulevard on the South, Montgall Avenue on the East, and Olive Street on the West, (the “Redevelopment Area”) all in Kansas City, Jackson County, Missouri (the “City”) as legally described in Exhibit 1.A (the “Redevelopment Area”). The Redevelopment Area will consist of three (3) separate Redevelopment Project Areas, which are legally described on Exhibit 1.B.

C. Project Improvements. The Project Improvements will consist of the (i) demolition of the properties located in Redevelopment Project Area 1; construction of approximately 38,000 square feet of grocery store, and renovation of approximately 14,000 square feet of retail space in Redevelopment Project Area 2 and 12,000 square feet of retail space in Redevelopment Project Area 3, all accompanied by surface parking and landscaping. Estimated construction and employment information for the Redevelopment Projects are set forth on Exhibit 4.A.

D. Estimated Date of Completion. The estimated dates for completion of the Project Improvements within each Redevelopment Project are set forth in Exhibit 4.B. The completion of the Project Improvements within each Redevelopment Project and retirement of Obligations incurred to finance Redevelopment Costs will occur no later than twenty-three (23) years from the adoption of the ordinance approving each such Redevelopment Project.

In no event shall any ordinance approving a Redevelopment Project and designating a Redevelopment Project Area be adopted later than ten (10) years from the adoption of the ordinance approving this Redevelopment Plan.

E. General Redevelopment Plan Objectives. The general objectives of the Redevelopment Plan are:

1. To eliminate adverse conditions which are detrimental to public health, safety, morals, or welfare in the Redevelopment Area and to eliminate and prevent the recurrence thereof for the betterment of the Redevelopment Area and the community at large;

2. To enhance the tax base of the City and the other Taxing Districts, encourage private investment in the surrounding area;

3. To increase employment opportunities;
4. To stimulate construction and development and generate tax revenues, which would not occur without Tax Increment Financing assistance;

F. Specific Objectives of this Redevelopment Plan are set forth in Exhibit 3.

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

IV. FINANCING

A. Estimated Redevelopment Project Costs. The total cost to the Redeveloper to implement Project 1 is projected to be approximately $14,944,416 as set forth in detail on Exhibit 4.A. The Plan proposes that approximately $8,474,953 in Redevelopment Project Costs be reimbursable from Payments in Lieu of Taxes and Economic Activity Taxes generated by Project 1, as detailed on Exhibit 5. The City intends to provide an annual appropriation to cover debt service for bonds issued for the Redevelopment Project Costs. The estimated Redevelopment Project Costs and costs eligible for reimbursement from the Special Allocation Fund are identified on Exhibit 4.A.

The Commission has determined that certain planning and special services expenses of the Commission and City, which are not direct Redevelopment Project Costs, are nonetheless reasonable and necessary for the operation of the Commission. These incidental costs will be recovered by the Commission and City from the Special Allocation Fund in an amount not to exceed 5% of the Payments in Lieu of Taxes and Economic Activity Taxes paid annually into the Special Allocation Fund.

B. Anticipated Sources of Funds. Redeveloper will construct the Project Improvements through the use of bond financing in the approximate amount of $13.5 million. These funds, combined with the anticipated reimbursement of eligible Redevelopment Project Costs from the Special Allocation Fund as Payments in Lieu of Taxes and Economic Activity Taxes, will finance the Plan. Anticipated sources and amounts of funds to pay Redevelopment Project Costs, including debt service, and amounts to be available from those sources are shown on Exhibit 6.

If bonds are issued, bond proceeds will be deposited in a special construction/project fund for use in payment of eligible Redevelopment Project Costs.

C. Payments in Lieu of Taxes. Calculations of expected proceeds of Payments in Lieu of Taxes are based on current real property assessment formulas and current and anticipated property tax rates, both of which are subject to change due to many factors, including reassessment, the effects of real property classification for real property tax purposes, and the rollback in tax levies resulting from reassessment or classification. The estimated total Payments in Lieu of Taxes generated within the Redevelopment Area during the period Tax Increment...
Financing shall be authorized is $3,122,584. Those Payments in Lieu of Taxes are shown on Exhibit 5. Any Payments in Lieu of Taxes that exceed the amount necessary for such reimbursement, subject to Section 99.850 RSMo., shall be declared surplus and be available for distribution to the various Taxing Districts located wholly or partially within any of the Redevelopment Project Areas in the manner provided by the Act.

D. Economic Activity Taxes. The projected Economic Activity Taxes available to the Special Allocation Fund, in accordance with the Act, during the period Tax Increment Financing shall be authorized are $5,352,370 as shown in Exhibit 5, all of which will be made available, upon annual appropriation by the City, to pay eligible Redevelopment Project Costs.

Anticipated Economic Activity Taxes will include, but may not be limited to, 50% of the net earnings taxes paid by businesses and employees, 50% of the net food & beverage taxes, 50% of the net utility taxes, as well as 50% of the City and County net new sales taxes. It is assumed that net earnings and sales tax revenues will increase due to inflation at a rate of 1% a year in addition to the assumed increases due to job creation and business expansion.

The amount of Economic Activity Taxes in excess of the funds deemed necessary by the Commission for implementation of this Plan, if any, subject to Section 99.850 RSMo., shall be declared as surplus. The declared surplus will be available for distribution to the various Taxing Districts located wholly or partially within any of the Redevelopment Area in the manner provided by the Act.

The Plan requires that all affected businesses and property owners be identified and that the Commission shall be provided with documentation regarding payment of Economic Activity Taxes by Redeveloper, its contractors, tenants and assigns. The Commission shall make available information to the City of Kansas City regarding the identity and location of the affected businesses. It shall be the obligation and intent of the City of Kansas City to determine the Economic Activity Taxes and to appropriate such funds into the Special Allocation Fund, no less frequently than semi-annually and no more frequently than quarterly, in accordance with the Act.

E. Anticipated Type and Terms of Obligations. It is anticipated that Obligations will be issued to finance Redevelopment Project Costs. In case Obligations are issued, these Obligations shall have a first call on the Payments in Lieu of Taxes and Economic Activity Taxes deposited in the Special Allocation Fund. Revenues received in excess of 100% of funds necessary for the payment of principal and interest on the Obligations may be used for reserves, including but not limited to capital improvement reserves, eligible Redevelopment Project Costs or to call 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, if issued by the Commission, shall be retired no later than twenty-three (23) years.
after the adoption of the ordinance adopting tax increment financing for the Redevelopment Project(s), which supports such Obligations, the costs of which are to be paid from the proceeds thereof. No Redevelopment Project may be approved by ordinance adopted more than ten years from the adoption of the ordinance approving the Redevelopment Plan under which the project is authorized.

F. Evidence of Commitments to Finance. Commitments for any financing of Redevelopment Project Costs necessary to complete Project Improvements for all Redevelopment Projects are attached as Exhibit 10.

V. MOST RECENT EQUALIZED ASSESSED VALUATION

The total initial equalized assessed valuation of the Redevelopment Area according to current records at the Jackson County Assessor’s Office is approximately $555,583. The current combined ad valorem property tax levy is projected to be $7,9873 per $100 assessed valuation. The 2015 annual ad valorem tax revenue from the Redevelopment Area will be approximately $44,376.

The Total Initial Equalized Assessed Valuation of each Redevelopment Project Area will be determined prior to the time each individual Redevelopment Project Area is designated by Ordinance. Payments in Lieu of Taxes measured by subsequent increases in property tax revenue which would have resulted from increased valuation had Tax Increment Financing not been adopted will be segregated from taxes resulting from the Total Initial Equalized Assessed Valuation as defined herein, and deposited in the Special Allocation Fund earmarked for payment of Redevelopment Projects Costs as defined herein.

VI. ESTIMATED EQUALIZED ASSESSED VALUATION AFTER REDEVELOPMENT

When the Project Improvements have been completed, the total assessed valuation of the Redevelopment Area is estimated to be $1,750,000. The estimated increase in assessed valuation and the resulting Payments in Lieu of Taxes are shown in Exhibit 5.

VII. GENERAL LAND USE

It is anticipated that some or all the Redevelopment Project Areas will be required to rezone to an Urban Redevelopment District (URD) as a condition of Redevelopment Project activation. The URD shall include the design guidelines reviewed and approved by the City’s Planning and Development Department. Each Redevelopment Project 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 Redevelopment Plan conforms to the City’s comprehensive plan and specifically with the land use contemplated by the Heart of the City Area Plan. The implementation of the Redevelopment Plan will not change the existing zoning for the Redevelopment Project Areas.
IX. EXISTING CONDITIONS IN THE REDEVELOPMENT AREA

The Redevelopment Area qualifies as a Blighted Area. The Linwood Shopping Center TIF Redevelopment Area Blight Study, attached as Exhibit 9, provides evidence of aging and deteriorating site improvements, excessive vacancy, obsolete platting and other blighting conditions stated within the Redevelopment Act in Section 99.805(1) RSMo.

X. "BUT FOR TIF"

Substantial public financing of the Project Improvements is identified within the Plan. This assistance is necessary to ensure successful redevelopment of the Redevelopment Area in order to construct approximately 38,000 square feet of retail space, Redevelopment Project 2 consisting of approximately 14,000 square feet of retail space and Redevelopment Project 3 consisting of approximately 12,000 square feet of retail space. The affidavit of the City Manager of the City of Kansas City, Missouri, attached as Exhibit 9, indicates that the blight in the Redevelopment Area would not be remediated, and the Project Improvements, as described in and as contemplated by the Linwood Shopping Center Tax Increment Financing Plan would not be undertaken but for the use of tax increment allocation financing.

XI. COST-BENEFIT ANALYSIS

A cost-benefit analysis has been prepared for the Plan. This analysis and other evidence submitted to the Commission describe the fiscal impact on every affected Taxing District; the Cost-Benefit Analysis can be found on Exhibit 7.

XII. ACQUISITION AND DISPOSITION

It is not anticipated that it will be necessary to acquire property by condemnation to achieve the redevelopment objectives. However, the Commission 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 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 for a Redevelopment Project shall be acquired by eminent domain later than five (5) years from adoption of the ordinance approving the Redevelopment Project.

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.

XIV. ENTERPRISE ZONE

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

XV. PROVISION OF PUBLIC FACILITIES AND LANDSCAPING

Redeveloper will provide and maintain all landscaping of all real property owned by the Redeveloper and located within the Redevelopment Area and provide or cause to be provided necessary public facilities and utilities 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;
3. The Commission’s Affirmative Action Policy;
4. Design guideline review and approval process;
5. The Commission’s Relocation Plan, if any;
6. Approval by Commission of the costs, design of the Project Improvements, Redevelopment Project Costs, certified reimbursable Redevelopment Project Costs;
7. Payment of Prevailing Wages;
8. Certification of Costs and Reimbursement Policy; and

XVII. PROVISIONS FOR AMENDING THE PLAN

This Redevelopment Plan and Projects 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 Kansas City, Missouri 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. REDEVELOPMENT AREA LEGAL DESCRIPTION
All of “CDC-KC LINWOOD SQUARE 1ST PLAT”, (Lots 1 and 2, inclusive, containing 147,929.40 square feet, or 3.3960 acres more or less) a subdivision of land in part of the Southwest Quarter of Section 15, Township 49, Range 33, in Kansas City, Jackson County, Missouri, and also all of “MOONEY PLACE”, (Tracts II, III, IV, V, VI, VII, and VIII inclusive, Tract I excluded, containing 283,863.24 square feet or 6.5166 acres more or less), a subdivision of land in part of the Southeast Quarter of Section 16, Township 49, Range 33, in Kansas City, Jackson County, Missouri more particularly described as follows:

Beginning at the NW Corner of said Southwest Quarter of Section 15, said point also being the centerline intersection of 31st Street and Prospect Avenue; thence (the following distances and bearings are based on the above mentioned subdivisions) along the centerline of 31st Street 330 feet at S87°32'04"E to the centerline intersection with Montgall Avenue (50' Wide R/W); thence along the centerline of Montgall Avenue 658.69 feet at S2°16'44"W to the centerline intersection with Linwood Blvd (100' Wide R/W); thence along the centerline of Linwood Blvd 330 feet at N87°34'16"W to the centerline intersection with Prospect Avenue; thence continuing along the centerline of Linwood Blvd 414.86 feet at N87°26'23"W to the intersection with the prolongation of the most easterly line of Tract I; thence along said prolongation and easterly line a distance of 258.29 feet at N2°19'03"E; thence along a north line of Tract I a distance of 105.22 feet at N87°26'23"W; thence along a west line of Tract I a distance of 90 feet at N2°11'28"E; thence along the most northerly line of Tract I and it’s prolongation a distance of 98.50 feet at N87°26'23"W to the centerline of Olive Avenue (60' Wide R/W); thence along the centerline of Olive Avenue a distance 311.03 feet at N2°11'28"E to the centerline of 31st Street, said line also being the North line of said Southeast Quarter; thence along the centerline of 31st Street 658.99 feet at S87°23'55"E to the Point of Beginning.
1B. PROJECT AREAS - LEGAL DESCRIPTION
Project 1 (Grocery Store)

A parcel of land situated in a portion of Tracts V & VI, “MOONEY PLACE”, a subdivision of land in the City of Kansas City, Jackson County, Missouri, said parcel being more particularly described as follows:

(Note: The bearing system in the following description is based on Grid North, Missouri Coordinate System of 1983/97).

Commencing at the Northwest corner of said Tract VII, said point being the intersection of the East right-of-way line of Olive Street, as now established and the South right-of-way line of 31st Street, as now established;

Thence South 02°11′28″ West 159.70 feet along said East right-of-way line;

Thence South 87°48′32″ East 51.36 feet, along a line perpendicular to said East right-of-way line, to the Northwest corner of Building No. 3110, said point being the “point of beginning”;

Thence South 87°51′22″ East 87.87 feet, along the North face of said Building No. 3110, to a jog to the South in said North face, said point being on the West face of Building No. 3106;

Thence South 02°07′31″ West 0.50 feet, along said jog to the South, to a jog to the East in said North face, said point being on the center line of a 1.00 foot wide concrete block party wall, said point also being the Southwest corner of said Building No. 3106;

Thence South 87°51′27″ East 130.02 feet, along said center line, to the Northeast corner of said Building No. 3110 and the Southeast corner of said Building No. 3106;

Thence South 02°11′02″ West 64.63 feet, along the East face of said Building No. 3110, to a jog to the Southeast in said East face;

Thence South 42°45′17″ East 21.23 feet along said East face and said jog to the Southeast, to a jog to the South in said East face;

Thence South 02°01′21″ West 29.81 feet along said East face, to a jog to the Southwest in said East face;

Thence South 47°08′07″ West 21.30 feet along said East face and said jog to the Southwest, to a jog to the South in said East face;

Thence South 02°09′25″ West 64.59 feet, along said East face, to the center line of a 1.00 wide concrete block party wall, said point also being the Southeast corner of said Building No. 3110 and the Northeast corner of Building No. 3130;
Thence North 87°49’28” West 79.99 feet, along said center line, to a jog to the South in the South face of said Building 3110, said point being the Northwest corner of said Building No. 3130;

Thence South 02°08’55” West 0.50 feet, along said jog to the South in said South face and the West face of said Building 3130;

Thence North 87°47’26” West 112.90 feet, along said South face, to the Southwest corner of said Building No. 3110;

Thence North 02°08’35” East 134.94 feet, along the West face of said Building No. 3110, to a jog to the West in said West face;

Thence North 88°00’20” West 25.02 feet, along said jog to the West, to a jog to the North in said West face;

Thence North 02°14’43” East 55.09 feet, along said West face, to the “point of beginning” of the parcel herein described, containing 38,609 square feet or 0.8863 acres, more or less.

Subject to all easements and restrictions of record.
Project 2 North Retail Shops

A parcel of land situated in a portion of Tracts VI & VII, “MOONEY PLACE”, a subdivision of land in the City of Kansas City, Jackson County, Missouri, said parcel being more particularly described as follows:

(Note: The bearing system in the following description is based on Grid North, Missouri Coordinate System of 1983/97).

Commencing at the Northwest corner of said Tract VII, said point being the intersection of the East right-of-way line of Olive Street, as now established and the South right-of-way line of 31st Street, as now established;

Thence South 02°11’28” West 55.29 feet along said East right-of-way line;

Thence South 87°48’32” East 117.16 feet, along a line perpendicular to said East right-of-way line, to the Northwest corner of Building No. 3102, said point being the “point of beginning”;

Thence South 87°48’18” East 38.04 feet, along the North face of said building, to a jog to the South in said North face;

Thence South 01°35’26” West 0.77 feet, along said North face, to a jog to the East in said North face;

Thence South 88°05’03” East 114.03 feet, along said North face and said jog to the East, to the Northeast corner of said Building No. 3102;

Thence South 02°11’00” West 104.50 feet, along the East face of said Building No. 3102, to the center line of a 1.00 foot wide concrete block party wall, said point also being the Southeast corner of Building No. 3106;

Thence North 87°51’27” West 130.02 feet, along said center line, to the Southwest corner of said Building No. 3106;

Thence North 02°07’31” East 64.62 feet, along the West face of said Building No. 3106, to the South face of said Building No. 3102;

Thence North 87°44’05” West 21.93 feet, along said South face, to appoint on the West face of said Building No. 3102;

Thence North 02°05’32” East 40.19 feet, along said West face, to the “point of beginning” of the parcel herein described, containing 14,454 square feet or 0.3318 acres, more or less.

Subject to all easements and restrictions of record.
Project 3 South Retail Shops

A parcel of land situated in a portion of Tract IV, “MOONEY PLACE”, a subdivision of land in the City of Kansas City, Jackson County, Missouri, said parcel being more particularly described as follows:

(Note: The bearing system in the following description is based on Grid North, Missouri Coordinate System of 1983/97).

Commencing at the Southwest corner of Tract I of said “MOONEY PLACE”, said point being the intersection of the North right-of-way line of Linwood Boulevard, as now established and the East right-of-way line of Olive Street, as now established;

Thence South 87°26’23” East 188.94 feet along said North right-of-way line;

Thence North 02°33’37” East 79.05 feet, along a line perpendicular to said East right-of-way line, to the Southwest corner of Building No. 3130, said point being the “point of beginning”;

Thence North 02°08’55” East 132.31 feet, along the West face of said Building No. 3130, to the Northwest corner of said Building No. 3130, said point also being on the center line of a 1.00 foot wide concrete block party wall;

Thence South 87°49’28” East 79.99 feet, along said center line, to the Northeast corner of said Building No. 3130 and the Southeast corner of said Building No. 3110, said point also being a jog to the Southeast of said Building No. 3130;

Thence South 42°35’33” East 8.58 feet, along said East face and said jog to the Southeast, to a jog to the South in said East face;

Thence South 02°11’16” West 29.09 feet, along said East face and said jog to the South, to a jog to the Southeast in said East face;

Thence South 43°09’35” East 9.95 feet, along said East face and said jog to the Southeast, to a jog to the South in said East face;

Thence South 02°16’47” West 57.90 feet, along said East face and said jog to the South, to a jog to the Southwest in said East face;

Thence South 46°35’37” West 9.69 feet, along said East face and said jog to the Southwest, to a jog to the West in the South face of said Building No. 3130;

Thence North 87°49’41” West 93.13 feet, along said South face, to the “point of beginning” of the parcel herein described, containing 12,472 square feet or 0.2863 acres, more or less.

Subject to all easements and restrictions of record.
EXHIBIT 2: Map

A. REDEVELOPMENT PLAN AND PROJECT AREAS
Linwood Shopping Center

While the City of Kansas City, Missouri makes every effort to maintain and distribute accurate information, no warranties and/or representations of any kind are made regarding information, data or services provided. In no event shall the City of Kansas City, MO, be liable in any way to the users of this data. Users of this data shall hold the City of Kansas City, MO harmless in all matters and accounts arising from the use and/or accuracy of this data. © 2015 City of Kansas City, Missouri.
EXHIBIT 3:

Specific Objectives of the Redevelopment Plan

1. To eliminate adverse conditions which are detrimental to public health, safety, morals, or welfare in the Redevelopment Area and to eliminate and prevent the recurrence thereof for the betterment of the Redevelopment Area and the community at large;

2. To enhance the tax base of the City and the other Taxing Districts, encourage private investment in the surrounding area;

3. To increase employment opportunities;

4. To stimulate construction and development and generate tax revenues, which would not occur without Tax Increment Financing assistance;

5. To trigger new investment in the community;

6. To allow for the construction of a new grocery store.
EXHIBIT 4:
A. Estimated Redevelopment Costs
## Linwood Shopping Center

### Budget

<table>
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<tr>
<th>Acquisition/Development Costs</th>
<th>Retail Spaces</th>
<th>Grocery Store</th>
<th>Site Improvements</th>
<th>Total</th>
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### Hard Construction Costs

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### Soft Costs

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<th>Construction Mgmt. Fee</th>
<th>Incentive Costs/Financing Fees</th>
<th>Legal</th>
<th>Permits, Testing &amp; Inspections</th>
<th>Development Fee</th>
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**TOTAL**

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<th>Acquisition/Development Costs</th>
<th>Retail Spaces</th>
<th>Grocery Store</th>
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**TOTAL**

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<td><strong>14,944,416</strong></td>
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**EXHIBIT 4:**

**B. Development Schedule**

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<th>Event</th>
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<tr>
<td>Construction Begins</td>
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<tr>
<td>Construction Completed</td>
<td>Fall 2017</td>
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EXHIBIT 5:

Estimated Annual Increases in Assessed Value and Resulting Payments in Lieu of Taxes and Projected Economic Activity Taxes
### Table: Existing Sales and Incremental Sales

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<th>Period</th>
<th>Existing Sales</th>
<th>Incremental Sales</th>
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### Diagram: NPV by TIF

- **NPV by TIF:** $2,241,027
- **TOTAL NPV:** $3,077,970

### Assumed Value
- **Building Sales:** $7,350,000
- **Grocery Sales:** $8,450,000
- **Retail Sales:** $10,540,000

### Mill Levy
- **Retail:** $8,700,000
- **South Retail:** $1,450,000
- **North Retail:** $1,450,000
- **Grocery:** $1,450,000
- **Utilities:** $1,450,000

### Notes:
1. **1% increase annually**
2. **1% increase annually**
3. **3.5 sq ft**
4. **3.25 1.625 1.5**

### Assessed Value at Build Out
- **City/County Sales Taxes 3.25%**
- **F&B Tax 1%**
- **CID 0.5%**
- **Utility Tax 10%**
- **E-Tax 1%**
- **TIF**
- **City/County Sales Taxes 0.75%**
- **F&B Tax 1%**
- **CID 0.5%**
- **Utility Tax 50%**
- **E-Tax 0.5%**
EXHIBIT 6

PROJECTED SOURCES AND USES OF FUNDS

SOURCES AND USES OF FUNDS
FOR
ALL ESTIMATED REDEVELOPMENT PROJECT COSTS

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<thead>
<tr>
<th>Source</th>
<th>Amount</th>
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<td>Amount of Reimbursable Costs from Pilots in Lieu of Taxes and Economic Activity Taxes</td>
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EXHIBIT 7:
Cost-Benefit Analysis
Cost-Benefit Analysis

Cost-Benefit Summary - 23-year analysis

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

<table>
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<tr>
<th>Benefits</th>
<th>City of Kansas City</th>
<th>Jackson County</th>
<th>Mental Health Fund</th>
<th>EITAS</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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<td>Net Cost/Benefit</td>
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<td></td>
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<td>$1,311,852</td>
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</table>

Springsted Incorporated 1 Summary23
EXHIBIT 8:
Evidence of “But For”
CITY MANAGER’S AFFIDAVIT

STATE OF MISSOURI  )
                  ) ss.
COUNTY OF JACKSON )

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. The City is the Redeveloper of the proposed Linwood Shopping Center Tax Increment Financing Plan (the “Plan”), as proposed, pursuant to the Real Property Tax Increment Allocation Redevelopment Act, Section 99.800, et. seq., Revised Statutes of Missouri, as amended (the “TIF Act”).

3. The proposed redevelopment area under the Plan (the “Redevelopment Area”) has been determined to be a blighted area as defined by the TIF Act, pursuant to a Blight Study prepared by APD Urban Planning Management, dated December 24, 2015.

4. Under my direction, the City Development and Planning Department has undertaken a review of the private investment within a 2-mile radius of the Redevelopment Area.

5. Our review included an examination of building permits for retail uses issued from 2011 to date within the 2-mile radius of the Redevelopment Area. The review is attached to this affidavit.

6. The results of the review show that retail permits were issued for only one project in that time frame and geographic area: the ALDI grocery store constructed pursuant to the 39th and Prospect Tax Increment Financing Plan (the “39th and Prospect TIF Plan”). The 39th and Prospect TIF Plan provides that the Redevelopment Area described therein has not been subject to growth and development through investment by private enterprise and would not reasonably be anticipated to be developed without the adoption of tax increment financing.

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 Plan. This affidavit is being provided to assist the Commission and City in making a finding that the Redevelopment Area described by the Plan, on the whole, is a blighted area, has not been subject to growth and development through investment by private enterprise and would not reasonably be anticipated to be developed without the adoption of tax increment 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.
CITY OF KANSAS CITY, MISSOURI

By: ____________________________
    Troy Schulte, City Manager

By: ____________________________
    City Clerk

Approved as to form:

By: ____________________________
    Assistant City Attorney
EXHIBIT 9:
Existing Conditions Study
(Blight Study)
Linwood/Prospect Redevelopment Area

Blight Study

Tax Increment Financing Commission of Kansas City, Missouri
Kansas City, Missouri
December 24, 2015
Linwood/Prospect Redevelopment Area

Blight Study

Tax Increment Financing Commission of Kansas City, Missouri
Kansas City, Missouri
December 24, 2015

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Section I

Introduction

The following report, the Linwood/Prospect Redevelopment Area Blight Study, was completed in December 2015. The proposed redevelopment area is located in Kansas City, Jackson County, Missouri and includes twenty-three (23) property parcels generally bound by E. 31st Street, Prospect Avenue, and E. 30th Street on the north, Montgall Avenue on the east, Linwood Boulevard on the south, and Olive Street on the west. (UPDATED MAP NEEDED)

The purpose of this analysis is to determine if the proposed Linwood/Prospect Redevelopment Area (the “Study Area”) in Kansas City, Missouri evidences “blight” as defined in the Real Property Tax Increment Allocation Redevelopment Act – Sections 99.800 to 99.865 R.S.Mo. (the "Act"), and if the Study Area does not evidence blight, determine if the Study Area qualifies as a “conservation area” or “economic development area” as defined by the Act.

The consultant visited the proposed redevelopment area in December 2015. The effective date of this study is December 24, 2015, the last day of inspection.

The proposed redevelopment area encompasses twenty-three tax parcels and approximately 14.3 acres of property, excluding public right-of-way. The Study Area contains a total of 16.2 acres including public right-of-way.

Definitions

Tax Increment Financing (“TIF”) is a financing/development tool that allows for new increments of tax revenues resulting from a specified redevelopment above past taxes on the property (payments in lieu of taxes, or “PILOTS”) to be used to pay for approved project-related costs, infrastructure and capital improvements. In addition to PILOTS, fifty percent of certain incremental local taxes generated by economic activities in the redevelopment area, such as sales taxes and taxes on utility gross receipts (economic activity taxes, or “EATs”), may be used to pay for approved project-related costs.

Projects using TIF must have plans approved by both the Tax Increment Financing Commission (“TIFC”) and the City of Kansas City, Missouri City Council. Missouri Statute requires that TIF projects be only redevelopment projects which would not reasonably be expected to develop without the assistance of TIF (often referred to as “but for”).

In order for the TIFC to implement a tax increment financing plan pursuant to the Real Property Tax Increment Allocation Redevelopment Act, Missouri Revised Statutes, Section 99.800 et seq., 1982, as amended (the “Act”), the City Council of Kansas City, Missouri must determine by ordinance that the redevelopment area described by the TIF Plan qualifies under the Act as: 1) a blighted area; 2) a conservation area; or 3) an economic development area; and that such redevelopment area has not be subject to growth and development through investment by private enterprise and would not be reasonably anticipated to be developed within the adoption of the TIF Plan.
RSMo. 99.805 provides the following definitions for a blighted area, conservation area, or economic area:

“Blighted area”, an area which, by reason of the predominance of defective or inadequate street layout, unsanitary or unsafe conditions, deterioration of site improvements, improper subdivision or obsolete platting, or the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors, retards the provision of housing accommodations or constitutes an economic or social liability or a menace to the public health, safety, morals, or welfare in its present condition and use; (RSMo. Ch. 99.805(1)).

“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; (RSMo. Ch. 99.805(3)).

“Economic development area”, any area or portion of an area located within the territorial limits of a municipality, which does not meet the requirements of subdivisions (1) and (3) of this section, and in which the governing body of the municipality finds that redevelopment will not be solely used for development of commercial businesses which unfairly compete in the local economy and is in the public interest because it will:

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

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

(c) Result in preservation or enhancement of the tax base of the municipality; (RSMo. Ch. 99.805(5)).

Since these definitions are a general overview pertaining to all sites, it is important to clarify their intention as it applies to the proposed redevelopment area. According to state law, it is unnecessary for every condition of blight to be present in order to be eligible as a redevelopment area. Rather, an area can be qualified as a blighted area when as few as one or more conditions are present. The conditions need not be present in each parcel, but must be found in the study area as a whole. With this understanding, the Blight Study presents an overview of factors within the Study Area including a review of physical conditions sufficient to make a determination of a blighted area. The “Summary of Findings” provides conclusions regarding the analysis and presence of blight in key areas; however, the Kansas City, Missouri City Council will make a final determination of a blighted area for the entire study area based on the extent to which conditions constitute a liability for the Study Area.
Study Methodology
The Blight Study includes a detailed analysis of site, building, and public improvement deterioration. Qualifying blight conditions throughout the study area were identified and analyzed on a parcel-by-parcel basis to produce a chart demonstrating blight conditions present in the Study Area.

Field investigations were conducted to document physical conditions within the categories of blight set out in the state statute. Pertinent Geographic Information Systems (GIS) data was obtained through the City and Jackson County and analyzed. Additional supplemental and updated information was obtained through various reports and studies prepared or commissioned by the City and other public entities.

Previous Blight Determinations
The proposed Redevelopment Area is included in previously approved redevelopment plans, in whole or in part. That portion of the Study Area bounded by 31st Street on the north, Prospect Avenue on the east, Linwood Boulevard on the south, and Olive Street on the west, with the exception of the church located at the northeast corner of Olive Street and Linwood Boulevard, is included in the Linwood Community Chapter 353 Development Plan. One property parcel, located at the southwest corner of E. 30th Street and Montgall Avenue, is included in the Justin Place Chapter 353 Development Plan. That portion of the Study Area located east of Prospect Avenue is included in the Linwood Prospect Urban Renewal Area, and that portion of the Study Area located west of Prospect Avenue is included in the Key Coalition Urban Renewal Area.

Each of the twenty-three properties contained within the Study Area have been a part of previously approved redevelopment plans and each was found to have been blighted by the City Council of Kansas City, Missouri.

Adjoining Areas
The Study Area is adjacent to or in close proximity to the following incentive areas (located within one-quarter mile of the Study Area), all of which were approved by the City with a finding of blight:

1) Key Coalition Urban Renewal Plan (LCRA);
2) Linwood Prospect Urban Renewal Plan (LCRA);
3) Santa Fe Urban Renewal Plan (LCRA);
4) Gotham Apartments Urban Renewal Plan (LCRA);
5) Oak Park Urban Renewal Plan (LCRA);
6) 33rd & Montgall Urban Renewal Plan (LCRA);
7) Walgreens – Linwood & Prospect Redevelopment Plan (Chapter 353);
8) Justin Place Redevelopment Plan (Chapter 353); and
9) DA Holmes Redevelopment Plan (Chapter 353).
Legal Description
The proposed redevelopment area consists of twenty-three property parcels. Specific legal
descriptions of all parcels within the proposed redevelopment area are included in Appendix A –
Property Ownership & Legal Descriptions.

Ownership
The proposed redevelopment area contains twenty-three property parcels. All of the parcels are
identified by the Jackson County Assessor’s office. A complete listing of the tax parcels
identified by the Jackson County Assessor is included in Appendix A.

Report Format
The Blight Study is presented in three sections and an Appendix. Section I presents an overview
of the project, a definition of “blight,” and the study methodology. Section II presents a
description of the Study Area and an overview of existing conditions. Section III defines the
primary categories of blight and documents conditions which are present within each category
and provides a conclusion derived from the research.

The Appendix includes a chart of parcels exhibiting the various blighting conditions and a field
ledger survey.
Linwood - Prospect Boundary Map

Legend
- Linwood-Prospect Boundary

APD Urban Planning Management
Section II

Area Overview and Description

PROPERTY DATA

Location & Access
The proposed Linwood/Prospect Redevelopment Area encompasses that portion of the Key Coalition and Santa Fe neighborhoods generally bound by E. 31st Street, Prospect Avenue, and E. 30th Street on the north, Montgall Avenue on the east, Linwood Boulevard on the south, and Olive Street on the west. Linwood Boulevard, Prospect Avenue and E. 31st Street are identified in the City’s Major Street Plan as major street thoroughfares. Linwood Boulevard, a major east-west thoroughfare, provides access to U.S. Highway 71 and the regional highway system in Kansas City, as well as the local network of streets. Prospect Avenue is the primary north-south street in the Study Area and provides access to the local street network. E. 31st Street is considered an “established arterial” in the Major Street Plan and provides access to the local street network between Southwest Boulevard at the western City boundary and U.S. 40 Highway to the east. E. 31st Street also provides access to the regional highway system with access to U.S. 40 Highway, U.S. 71 Highway, and Interstate 70 via U.S. 40 Highway.

The Study Area is well-served by public transit. All properties within the Study Area are within one-quarter mile of a bus route, with bus service routes directly serving the Study Area on Prospect Avenue and E. 31st Street. Troost Max, a bus rapid transit line, is located about one mile west of Prospect Avenue on Troost Avenue.

The Bike KC Plan contains one bike route along the northern boundary of the Study Area. A signed bike route exists on 30th Street. No trails are planned for the Study Area.

Pedestrian access is very good, with sidewalks on both sides of the street throughout the Study Area. Sidewalks are generally in poor to good condition throughout the Study Area.

Access to the twenty-three properties is primarily good.

Land Area
According to calculations from city GIS maps, the redevelopment area contains a total of approximately 16.2 acres, 14.3 acres of which is fee simple property. The remainder is public right-of-way.

Topography
The City’s GIS maps illustrate topography in the area undulates throughout the Study Area. The topography generally slopes upward from the northern boundary of E. 30th Street southward to a point about one-third of the way between E. 31st Street and Linwood Boulevard before dropping sharply, with the exception of the northwest corner of the Study Area which slopes sharply downward to the northwest.
The highest point in the redevelopment area is located along the eastern boundary on Montgall Avenue just south of E. 31st Street at approximately Kansas City datum 993.1. The lowest point in the redevelopment area is at the northwest corner of the Study Area at approximately Kansas City datum 970.7 near the intersection of E. 31st Street and Olive Street.

Along the eastern boundary of Montgall Avenue from north to south the topography rises from Kansas City datum 980.5 at 30th Street to 988.7 at E. 31st Street, and then rises to 993.1 before dropping to 974.9 at Linwood Boulevard. The topography along Prospect Avenue, from north to south does much the same. At 30th Street and Prospect Avenue the elevation is at approximately Kansas City datum 982.4 and then rises to 989.7 at E. 31st Street and then rises to 992.0 before dropping to 977.0 at Linwood Boulevard. The lowest point in the Study Area is at the intersection of E. 31st Street and Olive Street at approximately Kansas City datum 970.7 and then rises along Olive Street to the south to 983.6 at Linwood Boulevard.

According to the same GIS map, none of the proposed redevelopment area is within a 100-year or 500-year floodplain.

**Easements**

The consultant was not provided with title reports that encompass any part of the Study Area. No overall evaluation can be developed regarding easements or other restrictions which may be in effect within the Study Area.

**Utilities**

All utilities are available to the properties located within the proposed redevelopment area.

**Zoning**

The existing zoning in the Study Area includes R-0.5, R-1.5, B3-2 (Community Business (dash 2)) and UR (Urban Redevelopment District). Below is a map indicating the zoning districts within the Study Area and a chart summarizing the zoning classes:
Zoning Classification | Purpose*
--- | ---
R – 0.5 Residential 0.5 | The R district names (map symbols) are intended to provide a general indication of what is allowed in the district, with the "R" denoting the residential orientation of the district and the numeral providing a general indication of the allowed density, expressed in terms of the required minimum lot area per dwelling unit (in thousands). The R-0.5 district, for example, is a short-hand reference to a residential district that generally allows one dwelling unit per 500 square feet of gross site area.
R – 1.5 Residential 1.5

Kansas City's residential (R) zoning districts are primarily 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. While the districts primarily accommodate residential use types, some nonresidential uses are also allowed. The R district standards provide development flexibility, while at the same time helping to ensure that new development is compatible with the city's many neighborhoods. In addition, the regulations offer certainty for property owners, developers, and neighbors about the limits of what is allowed.

B3-2 Community Business (dash 2) | The primary purpose of the B3, Community Business district is to accommodate a broad range of retail and service uses, often in the physical form of shopping centers or larger buildings than found in the B1 and B2 districts. In addition to accommodating development with a different physical form than typically found in B1 and B2 districts, the B3 district is also intended to accommodate some types of destination-oriented commercial uses that draw from a larger trade area than the types of neighborhood-serving uses found in B1 and B2 districts. The B3 district is primarily intended to be
applied to large sites that have primary access to major streets. It may also be used along smaller streets to accommodate retail and service use types that are not allowed in B1 and B2 districts.

**UR Urban Redevelopment District**

The purpose of the UR, Urban Redevelopment district is to 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 purposes of an approved plan for redevelopment. UR districts are further intended to promote the following objectives:

88-260-01-A. a more efficient and effective relationship among land use activities;

88-260-01-B. preservation and enhancement of natural, cultural and architectural resources and features;

88-260-01-C. enhancement of redevelopment areas to accommodate effective redevelopment; and

88-260-01-D. seamless and compatible integration of redevelopment projects into the development patterns that exist or that are planned to exist within the subject area.

*Kansas City Zoning & Development Code*

The City of Kansas City, Missouri approved a new Zoning and Development Code on May 21, 2009 by Ordinance No. 081033. The new code became mandatory on January 1, 2011. The zoning district noted above is part of the new code.

A copy of the new zoning and development code is available at the Department of City Planning and Development of the City of Kansas City.

**Environmental**

Due to the date of construction of many of the improvements in the Study Area, the area and improvements could contain some type of environmental liability. Such liabilities might include asbestos-containing material, lead-based paint, and underground fuel storage tanks, among others. Depending on the size, amount and nature of potential contaminated materials, their presence can pose a significant liability to property and the overall redevelopment plan. It is recommended that prior to extensive redevelopment of the Study Area, environmental inspections be completed to identify and remediate potential environmental liabilities. The
consultant is unaware of any environmental contamination within the proposed redevelopment area.

**Real Estate Taxes**
A five-year history of the assessed values within the proposed redevelopment area is included in the appendix.

The foregoing figures are the Assessor’s opinion of Market Value and the resulting assessed value for each of the properties within the proposed redevelopment area. All property is supposed to be re-assessed in odd-numbered years, except that new construction (including remodeling) can be assessed in any year.

To determine assessed value, the assessment ratio for commercial properties is 32%, and for residential properties the ratio is 19%. The real estate levy for 2015 in the Study Area was $7,987.3 per $100 of assessed valuation. An additional $1.437 per $100 is assessed on commercial/industrial property only (the Merchants and Manufacturers replacement tax).

In 2015, the Study Area generated $757,902 in taxable assessed value, generating a total of $47,637.45 in real estate taxes, or a meager $0.08 per square foot of property that is predominantly commercial. Assessed value of the Study Area had declined 2.8% since 2011 but in 2015, when properties were reassessed, ten of the twenty-three properties saw an increase and the assessed value for the area as a whole increased by 10.5% in 2015 and by 7.4% since 2011. Seven of the twenty-three properties are owned by tax exempt entities, such as churches and government entities. Two of the sixteen taxable properties are delinquent with respect to payment of property taxes for a total of $1,796.09.

**Improvements**
The Study Area contains a variety of uses, including retail, commercial, single family and multifamily residential, and institutional. The primary improvements, however, include two shopping centers.

The Linwood Shopping Center opened in 1986 on the site of the former St. Joseph’s Hospital which was abandoned in 1977 and demolished between 1979 and 1982. The center occupies much of that block bounded by E. 31st Street on the north, Prospect Avenue on the east, Linwood Boulevard on the south, and Olive Street on the west. The grocery-anchored shopping center consists of about 80,000 square feet and for a number of years was very successful, serving as a catalyst for other nearby development. The Meiners Linwood Thriftway, the grocery that long anchored the center, closed in 2007 and the grocery space has been vacant since that time. The grocery occupied about half of the space in the center. The other half of the space is currently occupied by a few tenants, including Rainbow, Gen X Clothing, Jackson Hewitt, and a few others. The one-story masonry center is in poor to fair condition and in particular the surface parking lot immediately east of the center is in extremely poor condition as the lot was constructed on top of construction debris that had been buried on the site. The parking lot undulates severely and has deteriorated badly.
Two pad sites exist at the center and are owned separately from the center. The two sites are developed with a Popeye’s Chicken and a Chinese Express restaurant.

At the southwestern corner of that block that contains the shopping center is the Linwood United Presbyterian Church, a campus consisting of several two-story buildings constructed of brick and stone. Immediately to the east is a four-story brick and stucco office building that is in fair condition.

To the east of Prospect, between E. 30th Street and Montgall Avenue, is Linwood Square, another retail center that opened in 1993. The center is bisected by E. 31st Street, and that part of the center north of E. 31st Street is only one-half block deep. On the eastern side of the block between E. 30th Street and E. 31st Street is a church, six single family residences (one of which is vacant and boarded), two small apartment buildings, and two vacant residential lots. In addition, the shopping center does not occupy the entire frontage on Prospect Avenue north to E. 30th Street. Two masonry buildings are located immediately south of E. 30th Street on Prospect Avenue. The first, a two-story brick building, is in poor condition and appears that it may be vacant. Immediately to the south is a one-story stucco-covered brick building that is occupied by a retail user and whose parking is provided by the Linwood Square shopping center.

The shopping center consists of approximately 54,000 square feet of retail, restaurants, and other commercial and institutional users. At the time of inspection about 16,000 square feet, or 30%, of the shopping center is vacant. The north and south buildings are each one-story and constructed with a steel structure with masonry veneer. The center is in poor to fair condition.

Billboards
There are no billboards in the Study Area.
Key Coalition & Santa Fe Neighborhoods

Location & Access
The Key Coalition Neighborhood is largely immediately east of U.S. Highway 71 and is bounded by 27th Street on the north, Prospect Avenue on the east, 35th Street on the south, and Woodland Avenue on the west. The Santa Fe Neighborhood is also bounded by 27th Street on the north, Indiana Avenue on the east, Linwood Boulevard on the south, and Prospect Avenue on the west. The two neighborhoods enjoy terrific access to the interstate highway system and the local and regional network of streets and highways from Linwood Boulevard, 31st Street, 29th Street, and 27th Street.

The main entryways into Key Coalition and Santa Fe are Prospect Avenue, Linwood Boulevard, 27th Street and 31st Street. U.S. 71 (Bruce R. Watkins Drive) is also a main entryway into the Key Coalition Neighborhood. Olive Street, 31st Street, Linwood Boulevard, and Prospect Avenue in the Key Coalition Neighborhood and Montgall Avenue, Prospect Avenue, 30th Street, 31st Street, and Linwood Boulevard in the Santa Fe Neighborhood are all located within the Study Area. The City’s Major Street Plan indicates that within the Study Area major streets include 31st Street, Linwood Boulevard, and Prospect Avenue.

Key Coalition is bordered to the west by the Linwood Homeowners-Ivanhoe and Mount Hope neighborhoods. Santa Fe and Oak Park Northwest neighborhoods are located to the east. To the south are the Linwood Homeowners-Ivanhoe and Ivanhoe Northeast neighborhoods, and to the north of the Key Coalition Neighborhood is the Wendell Phillips neighborhood and to the northeast is the Washington Wheatley neighborhood.

Santa Fe is bordered to the west by Key Coalition Neighborhood. Wendell Phillips Neighborhood is to the northwest; Washington Wheatley Neighborhood is to the north; Ingleside is to the west; Palestine West is to the southeast; and Oak Park Northwest Neighborhood is to the south.

Access to and from these adjoining neighborhoods is somewhat easy with the exception of those streets that do not extend under or above U.S. Highway 71, including 28th Street, 30th Street, 33rd Street, and 34th Street. In those instances U.S. Highway 71 serves as a barrier to accessing parts of the Key Coalition neighborhood and other adjacent neighborhoods to the west.

Neighborhood Demographics
Population
The following provides population and income trends within a one, two, and three mile radius of the Study Area at E. 31st Street and Prospect Avenue.
### Historical Population vs. Projected Population

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<th>Historical Population</th>
<th>Projected Population</th>
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<td>Radius</td>
<td>2000</td>
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<tr>
<td>One Mile</td>
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<td>chg. (1 mile)</td>
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<tr>
<td>chg. from '00 (1 mile)</td>
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<td>Two Miles</td>
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<td>Three Miles</td>
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<tr>
<td>chg. (3 miles)</td>
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<td>-1.1%</td>
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<tr>
<td>chg. from '00 (3 miles)</td>
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### Estimated Median HH Income

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<th>Estimated Median HH Income 2016</th>
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<td>Radius</td>
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<tr>
<td>One Mile</td>
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<tr>
<td>Three Miles</td>
<td>29,355</td>
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</table>

Source: Claritas forecasts for 2016.

The population figures indicate dramatic population decline in the vicinity of the Study Area and within three miles of the Study Area between 2000 and 2010. As one moves away from the Study Area the rate of decline is much slower during the same time period. During the same time period the City of Kansas City as a whole grew by 4.1%, but declined in population by 6.3% for that portion of the City located in Jackson County. Within three miles of the Study Area, the population loss was almost double that loss rate and within one mile of the Study Area the rate of population loss was almost four times that rate of decline.

The median household income anywhere within two miles of the Study Area in 2016 is estimated to be significantly lower than the median household income for the city of Kansas City, Missouri in 2014 ($56,994), the last year for which actual data is available. The median
household income in Kansas City is estimated to have been more than 379% higher than the median household income within one-quarter mile of the Study Area.

The Claritas forecasts for 2016 and 2021 suggests continued decline in population for the Study Area and its surrounding area, although at a much slower rate than between 2000 and 2010, although slight growth is expected within three miles of the Study Area by 2021.

**Unemployment**
The most recent unemployment data for the Study Area is for the City of Kansas City, Missouri as a whole. The following data was provided by the Mid-America Regional Council (MARC):

Civilian Labor Force – Kansas City, Missouri
November 2015

<table>
<thead>
<tr>
<th>Labor Force</th>
<th>Labor Force Employed</th>
<th>Labor Force Unemployed</th>
<th>Percentage Unemployed</th>
</tr>
</thead>
<tbody>
<tr>
<td>255,686</td>
<td>243,987</td>
<td>11,699</td>
<td>4.6%</td>
</tr>
</tbody>
</table>

*Source: Mid-America Regional Council*

According to the Bureau of Labor Statistics, the preliminary unemployment rate for the Kansas City, KS/MO metropolitan area in December 2015 was 3.8%.

According to the Mid-America Regional Council, an unemployment rate of 4.0% can generally be considered “full employment.”
Section III

Determination of Study Area Conditions

Significant findings of the Linwood/Prospect Redevelopment Area Blight Study are presented in this discussion which follows. These findings are based on a review of documents and reports, interviews, field surveys, and analyses conducted in December of 2015. Properties and buildings, along with public improvements adjacent to the properties, were evaluated and deficiencies noted. As previously explained, the purpose of this study was to determine whether conditions as defined by RSMo. 99.805 of the Missouri State Statute exist in the Study Area. The principal categories reported here and in line with the statute include: defective or inadequate street layout, unsanitary or unsafe conditions, deterioration of site improvements, improper subdivision or obsolete platting, and the existence of conditions which endanger life or property by fire and other causes. The Appendix section of this report includes a table exhibiting the conditions of each property.

Blight Defined

As presented in Section I, blight is defined as follows:

“Blighted area”, an area which:

…by reason of the predominance of defective or inadequate street layout, unsanitary or unsafe conditions, deterioration of site improvements, improper subdivision or obsolete platting, or the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors, retards the provision of housing accommodations or constitutes an economic or social liability or a menace to the public health, safety, morals, or welfare in its present condition and use; (RSMo. Ch. 99.805(1)).

Several court cases provide additional direction in the consideration of blight:

- The courts have determined that it is not necessary for an area to be what commonly would be considered a “slum” in order to be blighted. Parking Systems, Inc. v. Kansas City Downtown Redevelopment Corporation, 518 S.W.2d 11, 15 (Mo. 1974)

- An otherwise viable use of a property may be considered blighted if it is an economic underutilization of the property. Crestwood Commons Redevelopment Corporation v. 66 Drive-In, Inc., 812 S.W.2d 903, 910 (MO.App.E.D. 1991).

- It is not necessary for every property within an area designated as blighted to conform to the blight definition. A preponderance of blight conditions is adequate to designate an area for redevelopment. Maryland Plaza

- The courts have determined that in order to make a finding of blight for a defined redevelopment area, the total square footage of the area is to be considered and not a preponderance of the individual parcels. Allright Properties, Inc. v. Tax Increment Financing Commission of Kansas City, 240 S.W.3d 777 (MO.App.W.D. 2007).

**Component 1: Defective or Inadequate Street Layout**

Conditions typically associated with defective or inadequate street layout include poor vehicular access and/or internal circulation within the Study Area; substandard driveway definition and parking layout (e.g. lack of curb cuts, awkward entrance and exit points); offset or irregular intersections; and substandard or nonexistent pedestrian circulation.

As noted above there are several conditions used to determine whether a Study Area is blighted based on defective or inadequate street layout. During the on-site investigation and field survey these conditions were rarely observed in the Study Area. Properties that had a small adjacent parking lot with awkward or dangerous access to and from the street were considered to have defective or inadequate street layout. Such a condition exists at the one multifamily property within the Study Area at 2619 E. 30th Street where access to the surface parking lot is restricted to the north-south alley adjacent to the west side of the property. The alley is too narrow to accommodate two-way traffic. As a result vehicles are driving over the lawn of the subject property where the alley and 30th street intersect.

Of the twenty-three (23) parcels surveyed in the Study Area, two properties exhibited defective or inadequate street layout.

**Component 2: Improper Subdivision or Obsolete Platting**

There are specific conditions that can be used to determine whether a Study Area is blighted based on improper subdivision or obsolete platting. Among these conditions are faulty lot shape and/or layout, inadequate lot size, poor access, as well as conformity of use. On-site investigations and field surveys, and review of public records suggest these conditions are rare throughout the Study Area. One property, a one-story commercial retail building located at 3003 Prospect Avenue, covers the whole of the property and cannot provide off-street parking. Parking is only available at the adjacent property to the south that is under different ownership.

Of the twenty-three (23) parcels surveyed in the Study Area, one property exhibited improper subdivision or obsolete platting.
Component 3: Unsanitary or Unsafe Conditions

There are numerous locations within the Study Area exhibiting unsafe or unsanitary conditions. The most prevalent Study Area conditions considered unsafe or unsanitary include cracked/uneven sidewalks, the existence of trash/debris and weeds, noncompliance with the Americans with Disabilities Act, and graffiti. Of the twenty-three (23) parcels contained in the Study Area, twenty (20) met this criterion.

Cracked/uneven sidewalks are prevalent throughout the Study Area and pose a tripping hazard, particularly for the elderly and disabled.

No separate environmental assessments were done for this Blight Study, and no known environmental contamination exists in the Study Area. Due to the age of the structures within the Study Area it is reasonable to expect that there would be some presence of asbestos, lead (paint), and possibly heating oil tanks. However, this report does not assume that any of the properties located within the Study Area contain any amount of environmental contamination.

The existence of trash and debris can be found throughout the study area, especially in alleyways and behind the commercial properties.

Examples of these blighting conditions are shown below.
3008 Montgall Ave – looking northwest – vacant property; overgrown vegetation

2619 E. 30th Street – looking east – noncompliance with ADA; deterioration of surface parking lot
3006 Montgall Ave – looking southeast – trash/debris; overgrown vegetation; deterioration of fence

3029 Prospect Ave – looking northwest – trash/debris; deterioration of gutters/downspouts; deterioration of drive
3001 Prospect Ave – looking north - graffiti

3106 Prospect Ave – looking northwest - graffiti
3105 Prospect Ave – looking south – noncompliance with ADA; deterioration of parking area and site improvements

3105 Prospect Ave – looking northwest – trash/debris; lack of landscaping; deterioration of parking area
3105 Prospect Ave – looking west – trash/debris; illegal dumping; deterioration of drive, gutters/downspouts

3110 Prospect Ave – looking west – noncompliance with ADA; deterioration of parking area, windows
Component 4: Deterioration of Site Improvements

The condition of deterioration of site improvements was primarily established through field survey work and observation of exterior physical conditions of the twenty-three parcels within the Study Area. No interior inspections were conducted. Of the five blighting factors the deterioration of site improvements is the most prevalent in the Study Area. Building deterioration rating criteria considered included the following: primary structure (roof, walls, foundation); secondary structure (fascia/soffits, gutters/downspouts, exterior finishes, windows and doors, stairways/fire escapes); and exterior structure (mechanical equipment, loading areas, fences/walls/gates, other structures).

Examples of structural deterioration can be found throughout the Study Area at a majority of the properties. The most common examples of structural deterioration found in the Study Area include failure of finishes and deterioration of exterior walls, gutters/downspouts, fascia and soffits. Although the roof was inaccessible at the Linwood Square Shopping Center on the east side of Prospect Avenue, an interview with the property owner indicated the roof leaks and is in need of replacement.

Examples of structural deterioration in the Study Area are shown in the photos below.

3034 Montgall Avenue – deterioration of windows and wall; failure of finishes; trash/debris; deterioration of fence and pavement
3028 Montgall Avenue – looking southwest – deterioration of windows, gutters/downspouts, exterior stair; failure of finishes; deterioration of fascia/soffits, fence; trash/debris

3001 Prospect Ave – looking southwest – deterioration of wall, windows/doors; failure of finishes
3001 Prospect Ave – looking west – deterioration of window; failure of finishes

3029 Prospect Ave – looking east – deterioration of windows, light box
3029 Prospect Ave – looking north – deterioration of soffit (mold), wall and lintel

3003 Prospect Ave – looking northeast – deterioration of windows and doors; failure of finishes
3029 Prospect Ave – looking northwest – deterioration of mechanical equipment, gutters/downspouts, and door
3105 Prospect Ave – looking south – deterioration of fascia/sign box

3105 Prospect Ave – looking northeast – deterioration of masonry wall; failure of finishes
3105 Prospect Ave – looking west – deterioration of gutter/downspout, door; trash/debris

3110 Prospect Ave – looking west – deterioration of windows
3110 Prospect Ave – looking southeast – failure of finishes

3151 Olive St – looking southeast – deterioration of windows, parking area
3151 Olive St – looking west – deterioration of windows

3114 Prospect Ave – looking north – deterioration of soffit due to water infiltration
In addition to structural deterioration, a variety of blight conditions were observed within the Study Area related to the deterioration of the site and non-primary improvements. These conditions which negatively affect the appearance and utilization of the area, most commonly include parking surface deterioration and the deterioration of fences, as well as unscreened trash dumpsters. Examples of site deterioration problems are found throughout the Study Area, as shown in the photographs below.

Altogether, twenty-two (22) of the twenty-three (23) parcels within the Study Area satisfy the criterion for deterioration of site improvements.

3034 Montgall Avenue – looking northwest – deterioration of surface parking lot
3029 Prospect Ave – looking south – deterioration of apron, fence, gate; noncompliance with ADA

3029 Prospect Ave – looking northwest – deterioration of parking area, gates
3029 Prospect Ave – looking east – unscreened trash dumpsters; deterioration of parking area; trash/debris

3029 Prospect Ave – looking south – deterioration of parking area; failure of finishes
3029 Prospect Ave – looking east – deterioration of fence; lack of landscaping (bare ground)

3105 Prospect Ave – looking west – deterioration of parking area
3105 Prospect Ave – looking north – deterioration of sign, parking area; noncompliance with ADA

3105 Prospect Ave – looking northeast – deterioration of railings, steps; failure of finishes
3105 Prospect Ave – looking north – deterioration of driveway, trash area, sidewalk, gutter/downspouts; trash/debris

3110 Prospect Ave – deterioration of parking area
3102 Prospect Ave – looking east – unscreened trash dumpster; deterioration of parking area; deterioration of masonry wall

3106 Prospect Ave – deterioration of parking area, railing and door; failure of finishes
3110 Prospect Ave – looking east – deterioration of loading area, parking area and drive

3110 Prospect Ave – looking west – deterioration of parking area
3110 Prospect Ave – deterioration of sign and bollard

3102 Prospect Ave – looking south – deterioration of parking area
Component 5: Existence of Conditions which Endanger Life or Property by Fire and Other Causes

Fire safety information pertaining to the parcels in the Study Area was not gathered for this Blight Study as the data was not available.

A composite of crime data from SpotCrime.com and CrimeReports.com, provided by Trulia, indicates an elevated level of crime within the Study Area compared to the rest of the city. The data is illustrated with a map consisting of five crime layers, classified from green to red with red representing the highest level of crime. Green is the most common shade throughout the City. Of the three city blocks contained within the Study Area, in whole or in part, all of the blocks are shaded a light red color indicating an area with the second-highest level of crime in the City. As such a predominance of the Study Area has an elevated crime level.

Conditions exist in the Study Area that endanger life or property by fire and other causes.

Summary of Blighting Factors

The following table summarizes the five blighting factors analyzed during inspections of property within the Study Area.

<table>
<thead>
<tr>
<th>Summary of Blighting Factors</th>
<th>Linwood Prospect</th>
</tr>
</thead>
<tbody>
<tr>
<td>Study Area</td>
<td>Parcels</td>
</tr>
<tr>
<td>Total</td>
<td>23</td>
</tr>
<tr>
<td><strong>Blighting Factors</strong></td>
<td></td>
</tr>
<tr>
<td>Defective or inadequate street layout</td>
<td>2</td>
</tr>
<tr>
<td>Improper subdivision or obsolete platting</td>
<td>1</td>
</tr>
<tr>
<td>Unsanitary or unsafe conditions</td>
<td>20</td>
</tr>
<tr>
<td>Deterioration of site improvements</td>
<td>22</td>
</tr>
<tr>
<td>Existence of conditions which endanger life or</td>
<td>NA</td>
</tr>
<tr>
<td>property by fire and other causes</td>
<td></td>
</tr>
<tr>
<td>Parcels with at least one blighting factor</td>
<td>23</td>
</tr>
<tr>
<td>Parcels with no blighting factors</td>
<td>0</td>
</tr>
<tr>
<td>Parcels with Predominance of Blighting Factors</td>
<td>12</td>
</tr>
</tbody>
</table>

The courts have determined that in order to make a finding of blight for a defined redevelopment area, the total square footage of the area is to be considered and not a preponderance of the individual parcels. Allright Properties, Inc. v. Tax Increment Financing Commission of Kansas City, 240 S.W.3d 777 (MO.App.W.D. 2007).
As evidenced from the table above, more than 50% of the redevelopment area satisfies the blighting factors of 1) unsanitary or unsafe conditions, and 2) deterioration of site improvements. In addition, the percentage of the study area that has at least one blighting factor is 100.0%. The percentage of the Study Area that exhibits a predominance of blighting factors is 79.8%.

Component 6: Economic or Social Liability

Section 74-2 of the Kansas City, Missouri Code, entitled “Urban Redevelopment,” notes the following economic characteristics of blighted areas:

- Reduced or negligible income;
- Impaired economic value;
- Depreciated values;
- Impaired investments;
- Negligible income

The Missouri Supreme Court has determined that “the concept of urban redevelopment has gone far beyond ‘slum clearance’ and the concept of economic underutilization is a valid one.” The total assessed value of the Study Area has increased 7.4% since 2011 and much of the increase took place in 2015, when the total assessed value increased by 10.5%. However, the increased assessed value in just the past year masks the distressed nature of the properties in the Study Area, particularly the commercial retail buildings, of which the Linwood Shopping Center has a vacancy rate in excess of 50% and Linwood Square has a vacancy rate of 30%, both of which are much higher than the average retail vacancy rate in the Kansas City metropolitan area of 11.8% at the end of 2015.

Two other recently renovated or constructed grocery-anchored community retail centers were examined to compare assessed values per building square foot. The Shops on Blue Parkway, anchored by a Sun Fresh grocery and consisting of about 250,000 square feet, is located at Blue Parkway and Kensington and had an assessed value per square foot in 2015 of approximately $10.56. The retail center opened in 2005.

Pener Plaza (formerly Metro Plaza) is a 92,000 square foot retail center located on 63rd Street near The Paseo. The center is anchored by a remodeled Metro Thriftway grocery and new Pener’s clothing store. After reopening in 2012, the assessed value per square foot of the center in 2015 was approximately $11.65.

The assessed value per square foot for the Linwood Shopping Center and for Linwood Square are well below the closest analogs of Shops on Blue Parkway and of Pener Plaza. The assessed value per square foot for the north building of Linwood Square is $1.71 and not much higher - $2.97 – for the south building of Linwood Square. Per the county assessor the assessed value of the land is higher than the improvements for the north and south buildings of Linwood Square. The assessed value per foot for the Linwood Shopping Center is $4.10, including the pad sites. Compared to other similar retail centers, the retail centers in the Study Area are underutilized and
generating inadequate tax revenue for the market area in which they are located. To that end, the City has announced an initiative to redevelop the Linwood Shopping Center.

As noted above, the redevelopment of the Study Area has been hindered by several dominating factors, including the high cost to eliminate the blighting conditions, the age of the structures, the deferred maintenance and subsequent deterioration of primary structural improvements, the deterioration of site improvements, and the high rate of vacancies. Doing nothing will only result in further deterioration of building and site improvements, forcing the remaining tenants to look elsewhere for space.

Redevelopment of the Study Area would result in new employment opportunities in the area. The potential increase in activity would also generate new sales, personal property, employment, and utility taxes.

Economic underutilization – evidenced by poor occupancy, deteriorating structures and unsafe conditions, and low assessed values and tax revenues – in an easily accessible market where economic activity is leaking to areas outside of the market area, indicates the proposed redevelopment area is blighted.

**Conclusion**

Most of the components of the Chapter 99 definitions were present in the proposed Linwood/Prospect Redevelopment Area. Although some elements of the Study Area are in adequate or sound condition, deterioration of structural and site elements exist throughout the Study Area as a whole, which could lead the legislative body to a finding that the proposed redevelopment area is blighted.

The dominant blighting factors in the proposed redevelopment area include 1) the presence of unsafe or unsanitary conditions, including trash and debris, overgrown vegetation, and cracked or uneven sidewalks; 2) deterioration of site improvements, including walls, gutters and downspouts, soffits, and the failing of finishes, as well as site deterioration, including the deterioration of surface parking, sidewalks, fences and unscreened trash areas; 3) high commercial vacancies; and 4) low assessed values and taxes.

Therefore, the consultant has determined that the proposed Linwood/Prospect Redevelopment Area of Kansas City, Missouri, as of December 24, 2015, is a “blighted area” according to the definition provided in Missouri’s Real Property Tax Increment Allocation Redevelopment Act statutes (RSMo 99.800 et seq.) and constitutes an economic liability in its present condition and use.
EXHIBIT 10:
Evidence of Financing Interest
CITY MANAGER’S AFFIDAVIT SUBMITTED AS
EVIDENCE TO FINANCE IMPROVEMENTS CONTEMPLATED BY THE
LINWOOD SHOPPING CENTER TAX INCREMENT FINANCING PLAN

STATE OF MISSOURI)
COUNTY OF JACKSON)

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

2. As chief administrative officer of the City, I am charged with the responsibility of
   developing a plan of finance for the Linwood Shopping Center Project (the “Project”).

3. The proposed plan of finance includes tax increment financing for the Project, as
   well as City bonds to fund all redevelopment project costs.

4. The City passed Committee Substitute for Ordinance No. 150430 on July 9, 2015,
   which, among other things, authorized the purchase of Linwood Shopping Center, appropriated
   funds and declared the City’s intent to reimburse itself from bond proceeds. On April 7, 2016,
   the City sold its Series 2016 bonds in support of the previously approved appropriation and on
   May 9, 2016, completed the purchase of the real property comprising the Linwood Shopping
   Center.

5. I intend to request the City Council to take all necessary actions to issue
   additional city bonds to provide funding for all redevelopment project costs associated with the
   Linwood Shopping Center Tax Increment Financing Plan.

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 Linwood Shopping Center Tax Increment Financing Plan. This
Affidavit is intended to provide the Commission and the City Council of the City with evidence
of intent to finance the improvements contemplated by the Linwood Shopping Center Tax
Increment Financing Plan.

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:

By: ____________________________
   City Clerk

Approved as to form:

By: ____________________________
   Assistant City Attorney
EXHIBIT 11:
Relocation Assistance
(copy attached)
Policy Name: Relocation Assistance Policy

Date Approved: May 26, 1988

Resolution Number: 88-09

Policy Statement: Every person approved by the Commission as a developer of property subject to be acquired by the Tax Increment Financing Commission if furtherance of a Tax Increment Financing plan shall submit to the Commission a relocation plan as part of the developer's redevelopment plan.

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

(i) Designated Occupants. "Designated Occupants" shall mean handicapped displaced occupants and those displaced occupants who are 65 years of age or older at the time of the notice to vacate or who have an income less than the average median income for the metropolitan area as certified annually by the Director of City Development based upon standards established by the Department of Housing and Community Development of Kansas City, Missouri.

(ii) Displaced Business. "Displaced Business" shall mean any business that moves from real property within the development area as a result of the acquisition of such property, or as a result of written notice to vacate such property, or in conjunction with the demolition, alteration or repair of said property, by the Tax Increment Financing Commission pursuant to RSMo. 99,800 et. seq., as amended.

(iii) Displaced Occupant. "Displaced Occupant" shall mean any occupant who moves from real property within the development area as a result of the acquisition of such property, or as a result of written notice to vacate such property, or in connection with the demolition, alteration or repair of said property, by the Tax Increment Financing Commission pursuant to RSMo. 99,800 et. seq., as amended.

(iv) Handicapped Occupant. "Handicapped Occupant" shall mean any occupant who is deaf, legally blind, or orthopedically disabled to the extent that acquisition of other residence presents a greater burden than other occupants would encounter or that modification to the residence would be necessary.

(v) Occupant. "Occupant" shall mean a residential occupant of a building having lawful possession thereof, and further shall include any person in lawful possession, whether related by blood or marriage to any other occupant.

(vi) Person. "Person" shall mean any individual, firm, partnership, joint venture, association, corporation and any life insurance company, organized under the laws of, or admitted to do business in the State of Missouri, undertaking a redevelopment project in a urban renewal area, whether organized for profit or not, estate, trust, business trust, receiver or trustee appointed by any state or federal court, syndicate, or any other group or combination acting as a unit, and shall include the male as well as the female gender and the plural as well as the singular number.
(b) **Plan Requirement.** Every person approved by the Commission as a developer of property subject to be acquired by the Tax Increment Financing Commission if furtherance of a Tax Increment Financing plan shall submit to the Commission a relocation plan as part of the developer's redevelopment plan.

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

(1) Payments to all displaced occupants and displaced businesses in occupancy at least ninety (90) days prior to the date said displaced occupant or said displaced business is required to vacate the premises by the developer, its assigns or any person seeking acquisition powers under the Tax Increment Financing plan pursuant to RSMo. 99.800 et. seq., as amended; and

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

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

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

(d) **Payments to Occupants.** All displaced occupants eligible for payments under subsection (c)(1) hereof shall be provided with relocation payments based upon one of the following, at the option of the occupant:

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

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

(e) **Handicapped Displaced Occupant Allowance.** In addition to the payments provided in subsection (d) hereof, an additional relocation payment shall be provided to handicapped displaced occupants which shall equal the amount, if any, necessary to adapt a replacement dwelling to substantially conform with the accessibility and usability of such occupant's prior residence, such amount not to exceed Four Hundred Dollars ($400.00).
(f) Payment to Businesses. All displaced businesses eligible for payments under subsection (c)(i) hereof shall be provided with relocation payments based upon the following, at the option of the business:

(i) A $1,500.00 payment to be paid at least thirty (30) days prior to the date the business is required to vacate the premises; or
(ii) Actual costs of moving including costs for packing, crating, disconnecting, dismantling, reassembling and installing all personal equipment and costs for relettering signs and replacement stationery.

(g) Waiver of Payments. Any occupant who is also the owner of premises and any business may waive their relocation payments set out above as part of the negotiations for acquisition of the interest held by said occupant or business. Said waiver shall be in writing and filed with the Commission.

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

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

(j) Minimum Requirements. The requirements set out herein shall be considered minimum standards. In reviewing any proposed redevelopment plan, the Commission shall determine the adequacy of the proposal and may require additional elements to be provided therein.
EXHIBIT 12:
Redeveloper Affidavit
(copy attached)
APPLICANT'S AFFIDAVIT

STATE OF MISSOURI  )
COUNTY OF JACKSON  ) ss.

1. At all times relevant herein, I have been the City Manager of Kansas City, Missouri (the "Redeveloper"), and I make this statement on behalf of the Redeveloper.

2. The Redevelopment Area is legally described on Exhibit 1 of the Linwood Shopping Center Tax Increment Financing Plan.

3. The provisions of subdivision RSMo 99.810.1(1) have been met through the information submitted by Redeveloper to the Tax Increment Financing Commission of Kansas City, Missouri and the City of Kansas City, Missouri, and based upon such information, it is the opinion of the undersigned that the improvements contemplated by the Linwood Shopping Center Tax Increment Financing Plan and which are located within a blighted area, would not be undertaken through investment by private enterprise and would not reasonably be anticipated to be undertaken without the adoption of tax increment allocation financing.

4. The undersigned acknowledges and agrees that this Affidavit is being materially relied upon by the Tax Increment Financing Commission of Kansas City, Missouri in connection with its consideration of the Linwood Shopping Center Tax Increment Financing Plan.

5. 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.

CITY OF KANSAS CITY, MISSOURI

By: ________________________________
Troy Schulte, City Manager

Subscribed and sworn to before me, the undersigned Notary Public in and for said County and State, this 10 day of May, 2016.

By: ________________________________
Signature of Notary Public

Typed/Printed Name of Notary Public

My Commission Expires:

January 17, 2018
ORDINANCE NO. 160448

Accepting the recommendations of the Tax Increment Financing Commission as to the Linwood Shopping Center Tax Increment Financing Plan; approving the Linwood Shopping Center Tax Increment Financing Plan; designating the Redevelopment Area; and directing the City Clerk to transmit copies of this ordinance.

WHEREAS, pursuant to the Real Property Tax Increment Allocation Redevelopment Act, Sections 99.800 to 99.865, RSMo, as amended (the "TIF Act"), the City Council of Kansas City, Missouri (the "City Council") created Tax Increment Financing Commission of Kansas City, Missouri (the "Commission"); and

WHEREAS, the Linwood Shopping Center Tax Increment Financing Plan (the "Redevelopment Plan") was proposed to the Commission; and

WHEREAS, the Redevelopment Plan is a comprehensive program intended to reduce or eliminate blight and enhance the tax base within the redevelopment area (the "Redevelopment Area") through the implementation of projects ("Redevelopment Projects") and the adoption of tax increment financing; and

WHEREAS, the Commission has been duly constituted and its members appointed; and, after all proper notice was given, the Commission met in public hearing and after receiving the comments of all interested persons and taxing districts with respect to the Redevelopment Plan, closed said public hearing on May, 16, 2016, and adopted its Resolution No. 5-27-16 (the "Resolution") recommending to the City Council the approval of the Redevelopment Plan; and

WHEREAS, the Redevelopment Plan provides for the construction of approximately 64,580 square feet of retail space, including a grocery store, parking and all necessary appurtenances and utilities to support such development in an area generally bounded by 31st Street on the North, Linwood Boulevard on the South, Montgall Avenue on the East, and Olive Street on the West NOW THEREFORE,

BE IT ORDAINED BY THE COUNCIL OF KANSAS CITY:

Section 1. That the recommendation of the Commission concerning the Linwood Shopping Center Tax Increment Financing Plan as set forth in the Resolution is hereby accepted and the Redevelopment Plan is hereby approved and adopted.

Section 2. That all terms used in this ordinance shall be construed as defined in the TIF Act.

Section 3. That the following described area is hereby designated a Redevelopment Area:
All of “CDC-KC Linwood Square 1st Plat”, (Lots 1 and 2, inclusive, containing 147,929.40 square feet, or 3.3960 acres more or less) a subdivision of land in part of the Southwest Quarter of Section 15, Township 49, Range 33, in Kansas City, Jackson County, Missouri, and also all of “Mooney Place”, (Tracts II, III, IV, V, VI, VII, and VIII inclusive, Tract I excluded, containing 283,863.24 square feet or 6.5166 acres more or less), a subdivision of land in part of the Southeast Quarter of Section 16, Township 49, Range 33, in Kansas City, Jackson County, Missouri more particularly described as follows: Beginning at the NW Corner of said Southwest Quarter of Section 15, said point also being the centerline intersection of 31st Street and Prospect Avenue; thence (the following distances and bearings are based on the above mentioned subdivisions) along the centerline of 31st Street 330 feet at South 87 degrees 32 minutes 04 seconds East to the centerline intersection with Montgall Avenue (50' Wide R/W); thence along the centerline of Montgall Avenue 658.69 feet at South 2 degrees 16 minutes 44 seconds West to the centerline intersection with Linwood Boulevard (100' Wide R/W); thence along the centerline of Linwood Boulevard 330 feet at North 87 degrees 34 minutes 16 seconds West to the centerline intersection with Prospect Avenue; thence continuing along the centerline of Linwood Boulevard 414.86 feet at North 87 degrees 26 minutes 23 seconds West to the intersection with the prolongation of the most easterly line of Tract I; thence along said prolongation and easterly line a distance of 258.29 feet at North 2 degrees 19 minutes 03 seconds East; thence along a north line of Tract I a distance of 105.22 feet at North 87 degrees 26 minutes 23 Seconds West; thence along a west line of Tract I a distance of 90 feet at North 2 degrees 11 minutes 28 seconds East; thence along the most northerly line of Tract I and its prolongation a distance of 98.50 feet at North 87 degrees 26 minutes 23 seconds West to the centerline of Olive Avenue (60' Wide R/W); thence along the centerline of Olive Avenue a distance 311.03 feet at North 2 degrees 11 minutes 28 seconds East to the centerline of 31st Street, said line also being the North line of said Southeast Quarter; thence along the centerline of 31st Street 658.99 feet at South 87 degrees 23 minutes 55 seconds East to the point of beginning.

Section 4. That in accordance with the recommendations of the Commission as set forth in the Resolution, the City Council hereby finds that:

(a) The Redevelopment Area described in the Redevelopment Plan is a blighted area, evidenced by unsanitary or unsafe conditions, deterioration and dilapidation of site improvements, excessive vacancies, and low assessed valuations and tax revenues;

(b) The Redevelopment Area has not been subject to growth and development through investment by private enterprise and would not reasonably be anticipated to be developed without the adoption of the Redevelopment Plan;
(c) The Redevelopment Plan conforms to FOCUS, the comprehensive plan for the development of the City as a whole;

(d) The area selected for the Redevelopment Projects include only those parcels of real property and improvements thereon which will be directly and substantially benefited by the Redevelopment Project improvements;

(e) The estimated dates of completion of each respective Redevelopment Project and retirement of obligations incurred to finance Redevelopment Project Costs, have been stated in the Redevelopment Plan and are not more than 23 years from the passage of any ordinance approving a Redevelopment Project within the Redevelopment Area;

(f) A plan has been developed for relocation assistance for businesses and residences;

(g) A cost-benefit analysis showing the impact of the implementation of the Redevelopment Plan on each taxing district at least partially within the boundaries of the Redevelopment Area has been prepared in accordance with the TIF Act;

(h) The Redevelopment Plan does not include the initial development or redevelopment of any gambling establishment; and

(i) A blight study has been completed and the findings of such study satisfy the requirements provided under subdivision (1) of Section 99.805, RSMo.

Section 5. That the Commission is authorized to issue obligations in one or more series of bonds secured by the Linwood Shopping Center Account of the Special Allocation Fund to finance Redevelopment Project Costs identified by the Redevelopment Plan and, subject to any constitutional limitations, to acquire by purchase, donation, lease or eminent domain, own, convey, lease, mortgage, or dispose of, land or other property, real or personal, or rights or interests therein, and grant or acquire licenses, easements and options with respect thereto, all in the manner and at such price the Commission determines, to enter into such contracts and take all such further actions as are reasonably necessary to achieve the objectives of the Redevelopment Plan pursuant to the power delegated to it by the City. Any obligations issued to finance Redevelopment Project Costs shall contain a recital that they are issued pursuant to Sections 99.800 to 99.865, which recital shall be conclusive evidence of their validity and of the regularity of their issuance.

Section 6. That pursuant to the provisions of the Redevelopment Plan, the City Council approves the pledge of all funds that are deposited into the Linwood Shopping Center Account of the Special Allocation Fund to the payment of Redevelopment Project
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Costs within the Redevelopment Area and authorizes the Commission to pledge such funds on its behalf.

Section 7. That the City Clerk shall send a copy of this ordinance to the County Clerk and County Executive of Jackson County, Missouri.

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Approved as to form and legality:

[Signature]

Brian T. Rabineau
Assistant City Attorney

[Signature]
Sly James, Mayor

[Signature]
Marilyn Sanders, City Clerk
JUN 16 2016

Date Passed