THE MIDTOWN REDEVELOPMENT
TAX INCREMENT FINANCING PLAN
KANSAS CITY, MISSOURI

AS APPROVED BY
TAX INCREMENT FINANCING COMMISSION
OF KANSAS CITY, MISSOURI
DECEMBER 15, 1992
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REQUIRED PLAN ELEMENTS

I. GENERAL DESCRIPTION

A. Summary. The Midtown Redevelopment Tax Increment Financing Plan (the "Plan") calls for the development of the Redevelopment Area through the construction of approximately 300,000 to 375,000 square feet of retail space (including two high quality, large grocery stores, a discount store and other community retail stores). It is also envisioned that the preservation, rehabilitation and construction of safe residential structures together with all necessary utilities, street improvements and appurtenances throughout the Midtown Area generally located between 25th Street on the north, The Paseo on the east, 47th Street on the south and State Line Road on the west in Kansas City, Jackson County, Missouri is necessary to adequately address the blighted conditions within the Redevelopment Area.

B. Redevelopment Area and Redevelopment Projects. The Redevelopment Area and the areas selected for redevelopment projects consist of 1) a tract of land generally bound by Linwood Boulevard, Gillham Boulevard, 34th Street and Main Street ("the Linwood Corridor Project"); and 2) Southwest Trafficway, 40th Street, Pennsylvania Avenue and Mill Street ("the 40th and Mill Project"). These two tracts are specifically described in Exhibit 1 attached hereto.

Upon final approval of the City Council by ordinance, this Plan will be implemented by construction of the depicted development described on the site plan attached as Exhibit 2 and described in the specific objectives of the Plan set forth in Exhibit 3. Moneys in the special allocation fund not required for Redevelopment Project Costs for the Linwood Corridor Project and the 40th and Mill Project will be utilized to carry out the objectives of the preservation, rehabilitation and construction of residential structures in the Midtown Area in general.

C. Redevelopment Plan Objectives. The general objectives of the Redevelopment Plan are:

1. To eliminate conditions which are detrimental to public health, safety, morals or welfare in the Redevelopment Area and to eliminate and prevent the recurrence thereof.

2. To enhance the tax base of the City and the other Taxing Districts by developing the Redevelopment Area to its highest and best use, encouraging private investment in the surrounding area, increasing employment opportunities and to discourage residents, commerce, industry and manufacturing from moving to another state.

3. To increase employment in the City.

4. To preserve and rehabilitate the existing residential development, and construct new residential development in the vicinity of the Redevelopment Area, and appurtenances thereto, the new residents of which will patronize the retail establishments and allow for their economic viability.

Specific objectives of the Plan are set forth in Exhibit 3.
II. ESTIMATED REDEVELOPMENT PROJECT COSTS

Estimated redevelopment project costs for the Linwood Corridor Project and the 40th and Mill Project are projected to be approximately $37,509,640 over the life of the Plan. The Plan proposes that approximately $6,845,500 in Redevelopment Project Costs be reimbursed or bonded from TIF revenues. The amount of PILOTS and Economic Activity Taxes generated by the Redevelopment Projects which may be used to preserve and rehabilitate the existing residential development, and construct new residential development in the vicinity of the Redevelopment Area, and appurtenances thereto, is estimated to be $38,560,500.

Included as a part of the Redevelopment Project Costs are those costs of site acquisition, preparation and construction of public improvements necessitated by the Redevelopment Projects and any costs incidental to a redevelopment plan or redevelopment project. These costs, along with the estimated Project Costs, are set forth in Exhibit 4.

The Commission has determined that certain planning and special services expenses of the Commission which are not direct project costs are nonetheless reasonable and necessary for the operation of the Commission and are incidental costs to the project. These incidental costs will be recovered by the Commission from the Special Allocation Fund in an amount not to exceed five percent (5%) of the PILOTS paid annually into the fund.

III. ANTICIPATED SOURCES OF FUNDS

Anticipated sources and amounts of funds to pay Redevelopment Project Costs and amounts to be available from those sources are shown on Exhibit 5. The expected source of funds to be used to reimburse eligible expenses include PILOTS and Economic Activity Tax proceeds.

If bonds are issued, bond proceeds will be deposited in a special construction fund for use in payment of Reimbursable Project Costs. If property is sold or leased to a selected Developer, land disposition or lease proceeds will be utilized by the Commission for payment of Reimbursable Project Costs.

A. Payment in Lieu of Taxes. The total Payment in Lieu of Taxes ("PILOTS") generated over the duration of the Plan is estimated to be approximately $6,924,000. The resulting Payments in Lieu of Taxes available to pay redevelopment project costs by year are shown in Exhibit 6.

Calculations of expected proceeds of PILOTS are based on current real property assessment formulas and current property tax rates, both of which are subject to change due to many factors, including statewide reassessment, the effects of real property classification for real property tax purposes, and the roll back in tax levies resulting from reassessment or classification. Furthermore, calculations are based on increases in assessments of 4% every other year that can be expected to result from inflation with no levy increases, which would also increase PILOTS.

The amount of PILOTS in excess of the funds deemed necessary by the Commission for implementation of this Plan, may be declared as surplus by the Commission. The declared surplus will be made available for distribution to the various Taxing Districts in the Redevelopment Area in the manner provided by the Act.
B. Economic Activity Taxes. Over the life of the Plan, the total Economic Activity Tax revenues are estimated to be approximately $76,964,000. Of the total additional revenue from taxes imposed by the municipality or other taxing districts and which are generated by economic activities within the Redevelopment Project Areas, as defined in Section 99.845.3, fifty percent (50%), or approximately $38,482,000 will be made available upon annual appropriation, to pay eligible Redevelopment Project Costs. Those Economic Activity Taxes available to pay project costs are shown in Exhibit 6.

Anticipated Economic Activity Taxes are based upon projected net earnings taxes paid by businesses and employees, as well as sales tax. It is assumed that net earnings, and sales tax revenues will increase due to inflation at a rate of 4% a year in addition to the assumed increases due to job creation and business expansion. The estimated PILOTS and Economic Activity Tax revenues are set forth in Exhibit 6 attached hereto.

The amount of Economic Activity Taxes in excess of the funds deemed necessary by the Commission for implementation of this Plan, may be declared as surplus by the Commission. The declared surplus will be made available for distribution to the various Taxing Districts in the Redevelopment Area in the manner provided by the Act.

IV. EVIDENCE OF THE COMMITMENTS TO FINANCE

Any proposal submitted by a developer to implement this Plan shall include evidence of commitments to finance the Redevelopment Project Costs in addition to those allowable project costs to be paid out of the Special Allocation Fund. Such evidence shall be a part of this Plan and be attached hereto as Exhibit 7.

V. ANTICIPATED TYPE AND TERMS OF OBLIGATIONS

Without excluding other methods of financing, Bonds may be issued pursuant to this Plan for a term not to exceed 23 years from the adoption of the ordinance approving the redevelopment project within a redevelopment area, at an interest rate determined by the Issuing Body. In order to market such Bonds, it is estimated that available Project revenues must equal 125% - 175% of the annual debt service payments required for the retirement of the Bonds. Revenues received in excess of 100% of funds necessary for the payment of principal and interest on the Bonds or for reserves, sinking funds, or reimbursable project costs may be used to call Bonds in advance of their maturities or may become available for distribution annually to the Taxing Districts. Bonds may be sold in one or more series in order to implement this Plan. All obligations shall be retired no later than 23 years after the adoption of the ordinance approving the redevelopment project, 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. Therefore the latest date of retirement of the Bonds, if the ordinance approving the redevelopment plan is adopted in 1993, will be 2026.
VI. **MOST RECENT EQUALIZED ASSESSED VALUATION**

The total initial equalized assessed valuation of the areas selected for Redevelopment Projects, according to the Kansas City Assessor’s records, is $1,917,380. The current combined tax levy is projected to be $9.952 (including 1987 M & M replacement surcharge tax) per $100 assessed valuation on land and $9.202 (including 1987 M & M replacement surcharge tax) per $100 assessed valuation on improvements. The current annual tax revenue, without any property tax exemptions, is approximately $181,786.

The Total Initial Equalized Assessed Valuation of an area selected for a redevelopment project will be determined when the individual Redevelopment Project is approved by ordinance. The municipality or the Commission may then issue tax increment bonds to finance redevelopment within the Redevelopment Project. PILOTS 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 a special allocation fund earmarked for bond retirement or payment of Redevelopment Project Costs as defined herein.

VII. **ESTIMATED EQUALIZED ASSESSED VALUATION AFTER REDEVELOPMENT**

Upon completion of the Redevelopment Projects, the assessed valuation of the areas selected for Redevelopment Projects is anticipated to be approximately $6,692,800. The increase in assessed valuation therefore is anticipated to be approximately $4,775,420. The resulting Payments in Lieu of Taxes available to pay Redevelopment Project Costs by year are shown separately for each Redevelopment Project Area in Exhibit 6. When complete the areas selected for redevelopment projects will yield an estimated $442,000 in additional real property taxes annually.

VIII. **GENERAL LAND USE**

The general land use for the Redevelopment Area is envisioned to be primarily commercial and retail uses which serve the surrounding residential uses. The areas selected for the Redevelopment Projects are specifically proposed for use as commercial and retail. The Site Plan, Exhibit 2, attached hereto and made part of this Redevelopment Plan, designates the intended predominant land use categories for which tracts in the area will be sold, leased, or otherwise conveyed. The individual Redevelopment Projects shall be subject to the applicable provisions of the Municipality’s Zoning Ordinance as well as other codes and ordinances as may be amended from time to time.

**STATUTORY FINDINGS**

IX. **EXISTING CONDITIONS**

The Redevelopment Area, including each of the Redevelopment Projects contained therein, qualifies as a “Blighted Area” under Missouri’s Tax Increment Financing Statute. A significant portion of the two areas specifically selected for
redevelopment projects were previously found to be "blighted" areas as part of the urban renewal area designation process previous LCRA, TIF and 353 designations and have experienced further deterioration.

These physical conditions preclude any further development and will continue to jeopardize health, safety and welfare without the adoption of this Tax Increment Financing Plan. Further, this Plan is feasible only if all of the specified Redevelopment Projects are designated as such under Missouri's Tax Increment Financing Statute.

A study of the Redevelopment Area has been conducted documenting existing conditions and is attached as Exhibit 8.

X. "BUT FOR TIF"

The Redevelopment Area has not been subject to growth and development by private enterprise and would not reasonably be anticipated to be developed without the adoption of the Redevelopment Plan. The best and most economically viable use for the property in the Redevelopment Area is for retail and commercial uses which support the City as a whole. Because of the existing condition of the property within the Redevelopment Area, and particularly the condition and location of the area selected for redevelopment projects, the property has not been subject to growth or development in the past. The cost of curing the existing conditions and construction of the improvements contemplated by the Plan is not economically viable, if fully borne by the developer. The use of Tax Increment Financing makes the Plan feasible and thus attractive to private enterprise investment. Furthermore, the rejuvenation and revitalization of the housing stock in the vicinity of the Redevelopment Area is necessary to the implementation of this Plan.

XI. CONFORMANCE TO THE COMPREHENSIVE PLAN

The Plan is consistent and conforms with the City's Comprehensive Plan. The uses proposed for the Redevelopment Area are generally consistent with those approved previously in the Urban Renewal Plans for the Linwood Gillham Redevelopment Area and the Warner Plaza 353 Redevelopment Area. All of these plans were found to be in conformance with the City's Comprehensive Plan at the time of City Council approval. This Plan is also generally consistent with the previously adopted Linwood Gillham Tax Increment Financing Plan as well as the Midtown 2000 Plan.

XII. ESTIMATED DATE OF COMPLETION

The completion of the construction of the redevelopment projects is expected to occur in 1994. In any event, the completion of any redevelopment project and retirement of obligations incurred to finance redevelopment costs will be completed no later than twenty three (23) years from the adoption of the ordinance approving the redevelopment project within the Redevelopment Area, provided that no ordinance approving a redevelopment project shall be adopted later than ten (10) years from the adoption of the ordinance approving this Redevelopment Plan.

The Development Schedule is set forth in the attached Exhibit 9.
XIII. RELOCATION ASSISTANCE PLAN

In order to achieve the objectives of this Redevelopment Plan, it will be necessary to demolish a majority of structures within the Redevelopment Projects. The Plan provides for relocation assistance to all eligible displaced occupants in conformance with the Relocation Assistance Plan as set forth in Exhibit 10.

OTHER PLAN CONDITIONS AND CONSIDERATIONS

XIV. ACQUISITION AND DISPOSITION

A. Acquisition and Clearance. To achieve the redevelopment objectives of this Plan, property or interests therein, including easements and rights-of-way, identified on Exhibit 11, "Land Acquisition and Disposition Map", attached hereto, and made a part of this Plan, may be acquired by purchase, donation, lease or eminent domain in the manner provided for corporations in Chapter 523, R.S.Mo. by the Municipality or the Commission. The property acquired by the Municipality or 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. The Municipality or the Commission may determine that to meet the redevelopment objectives of the Redevelopment Plan, other properties listed on said map and not scheduled for acquisition should be acquired or certain property currently listed for acquisition should not be acquired. 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 Plan under which such project is authorized.

Individual structures may be exempted from acquisition if they are located so as not to interfere with the implementation of the objectives of this Redevelopment Plan or the Redevelopment Projects implemented pursuant to the Redevelopment Plan and their owner(s) agree to rehabilitate or redevelop their property, if necessary, in accordance with the objectives of this Redevelopment Plan.

Clearance and demolition activities will, to the greatest extent possible, be timed to coincide with redevelopment activities so that tracts of land do not remain vacant for extended periods of time and so that the adverse affects of clearance activities may be minimized.

The Municipality or the Commission may devote property which it has acquired to temporary uses prior to such time as property is needed for redevelopment. Such uses may include, but are not limited to, parking or other uses the Municipality or the Commission may deem appropriate.

B. Assemblage and Disposition of Land. Land assemblage shall be conducted for (1) sale, lease or conveyance to private developers or (2) sale, lease, conveyance or dedication for the construction of public use, improvements or facilities. The terms of conveyance shall be incorporated in appropriate disposition agreements which may contain more specific planning and design controls than those stated in this Plan.
XV. AFFIRMATIVE ACTION

It is the Commission's policy to encourage participation in the bidding process by socially and economically disadvantaged business concerns. The Commission has developed an affirmative action process and a minority business enterprise (MBE) participation goal of 15% and a women business enterprise (WBE) participation goal of 5% for both professional services and consultants and a similar goal for all construction activity within all phases of the redevelopment projects.

XVI. DESIGN REVIEW PROCESS

The Commission has adopted a design review process which shall be carried out to review all proposed improvements in the Redevelopment Area. This Design Review Process is attached hereto as Exhibit 12.

The following design controls shall apply to the Plan:

A. General: New development shall be designed and constructed so that it is integrated into and complements the surrounding environment. Any buildings that remain shall be made to conform to the development guidelines as approved by the Commission.

B. Pedestrian Walkways, Streets and Open Walk Spaces: Streets, pedestrian paths or open walk spaces shall be designed as an integral part of the overall site design, properly related to existing and proposed buildings and City streetscape elements.

C. Parking: Parking areas shall be designed with careful regard given to orderly arrangement, landscaping, ease of access, and as an integral part of the total site design. Vehicular access to the parking areas shall minimize conflicts with other vehicular and pedestrian movements. Ingress and egress points shall be well distanced from intersections in order to avoid congestion and interference with traffic.

D. Landscape Design: A coordinated landscape program shall be developed in the Redevelopment Area to incorporate the landscape treatment sought for open spaces, roads, sidewalks, and parking areas into a coherent and integrated arrangement.

XVII. ENTERPRISE ZONE

In the event mandatory abatement is sought or received pursuant to Section 135.215, R.S.Mo., 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, R.S.Mo.. 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, R.S.Mo..

XVIII. PROVISION OF PUBLIC FACILITIES

Adequate public facilities and utilities will be assured to service each of the
Redevelopment Project Areas.

XIX. REQUEST FOR PROPOSALS

Requests for proposals have been sent to developers. A developer will be selected to implement this Plan (the "Developer"). If a Developer is selected who does not now own all the property required to implement the Plan, the Developer, the Commission and the City will be required to identify the funds necessary for the acquisition or lease, of the property by purchase or eminent domain. The proposal of the Developer(s) selected must include evidence of financial commitments sufficient to complete the project. That proposal will then be attached to this Plan as Exhibit 7 and become a part of the Plan.

XX. TAX INCREMENT FINANCING

This Plan is adopted pursuant to the Real Property Tax Increment Allocation Redevelopment Act, Missouri Revised Statutes, Section 99.800 through 99.865, 1990 (the "Act"). The Act enables municipalities to finance redevelopment costs with the revenue generated from PILOTS or Economic Activity Taxes.

XXI. PROVISIONS FOR AMENDING THE TAX INCREMENT PLAN

This Redevelopment Plan or Projects may be amended pursuant to the provisions of the Act.
EXHIBIT 1
LOCATION AND LEGAL DESCRIPTION
OF THE
REDEVELOPMENT AREA

The Midtown Redevelopment Area consist of two noncontiguous tracts legally described as follows:

THE LINWOOD CORRIDOR PROJECT AREA

Beginning at the point of intersection of the east right-of-way line of Main Street, as now established, and the south right-of-way line of Linwood Boulevard, as now established; thence easterly and northeasterly along the south right-of-way line of Linwood Boulevard to the point of intersection with the west right-of-way line of Gillham Plaza, as now established; thence southerly and southwesterly along the west right-of-way line of Gillham Plaza to the point of intersection with the north right-of-way line of 34th Street, as now established, said point also being the west line of the north-south alley lying between and parallel to Oak Street and McGee Street; thence north along the west line of said alley to the point of intersection with the south line of the east-west alley lying between and parallel to 33rd Street and 34th Street; thence west along the south line of said alley to the point of intersection with the east line of the north-south alley lying between and parallel to Main Street and Warwick Boulevard; thence south along the east line of said alley to the point of intersection with the north right-of-way line of 34th Street; thence westerly along the north right-of-way line of 34th Street to the point of intersection with the east right-of-way line of Main Street; thence northerly along the east right-of-way line of Main Street to the point of beginning, all now included in and part of Kansas City, Jackson County, Missouri.

THE 40TH AND MILL PROJECT AREA

Beginning at the point of intersection of the east right-of-way line of Southwest Trafficway and the south right-of-way line of 40th Street; thence east along the south right-of-way line of 40th Street to the west right-of-way line of Washington Street; thence south along the west right-of-way line of Washington Street to a point 50 feet south of the north lot line of Lot 3 CATHERINE PURDOMS ADDITION; thence westerly along a line 50 feet south of and parallel to the north lot line of Lot 3, CATHERINE PURDOMS ADDITION, to the center line of the vacated alley lying southwest and adjacent to Lot 3, CATHERINE PURDOMS ADDITION; thence northerly along the center line of said vacated alley a distance of 17 feet; thence westerly along a line 33 feet south of and parallel to the north lot line of Lot 2, CATHERINE PURDOMS ADDITION, to the easterly right-of-way line of Mill Street; thence southerly along the easterly right-of-way line of Mill Street to the northerly right-of-way line of Westport Road; thence southwesterly along said northerly right-of-way line of Westport Road a distance of 79.2 feet to the most southerly corner of Lot 4, JOHN C. MORRIS SUBDIVISION; thence northwesterly along the westerly line of said Lot 4, JOHN C. MORRIS SUBDIVISION, a distance of 141.9 feet to the most northerly corner Lot 1, JOHN C. MORRIS SUBDIVISION; thence southwesterly along the northwesterly line of said Lot 1, JOHN C. MORRIS SUBDIVISION, a distance of 33 feet to the most easterly corner of Lot 2, JOHN C. MORRIS SUBDIVISION; thence northwesterly along the easterly line of Lot 2, JOHN C. MORRIS SUBDIVISION, a distance of 229.5 feet to the most northerly corner of Lot 2, JOHN C. MORRIS SUBDIVISION; thence south along the west line of Lot 2, JOHN C. MORRIS SUBDIVISION, a distance of 14.61 feet to the center line of the vacated alley;
thence southwesterly along the center line of said alley to the westerly right-of-way line of Waddell Avenue; thence northerly along the westerly right-of-way line of Waddell Avenue to the southerly right-of-way line of 41st Street; thence westerly along the southerly line of 41st Street to the easterly right-of-way line of Southwest Traffic way; thence northerly along the easterly right-of-way of Southwest Trafficway to the point of beginning, all now included in and part of Kansas City, Jackson County, Missouri.
EXHIBIT 3

SPECIFIC OBJECTIVES OF REDEVELOPMENT PLAN

1. To cure the blighted conditions currently existing on the properties with those areas selected for redevelopment projects by means of clearance of deteriorating buildings and structures, provision for adequate street layout, utilities, and other site improvements, and removal of other unsanitary and unsafe conditions.

2. To construct approximately 300,000 to 375,000 square feet of retail space including one grocery facility on the tract generally bound by Linwood Boulevard, Gillham Boulevard, 34th Street and McGee; one grocery facility on the tract generally bound by Southwest Trafficway, 40th Street, Pennsylvania Avenue and Mill Street; and a major discount store and/or other community retail stores on the tract generally bound by Linwood Boulevard, McGee, 34th Street and Main Street.

3. To create a safe environment conducive to quality retail development.

4. To install, repair, construct, reconstruct and relocate streets, utilities, sidewalk improvements, essential to the preparation of the areas selected for redevelopment projects.

5. To upgrade and refurbish utilities, and other infrastructure facilities serving the areas selected for redevelopment projects as well as other areas contiguous thereto.

6. To vacate any existing public rights-of-way inconsistent with the Plan and to make them a part of the Redevelopment Area.

7. To replat the land into parcels suitable for redevelopment in accordance with this Redevelopment Plan.

8. To enhance the tax base and economy by inducing development of the Redevelopment Area to its highest and best use, and to encourage private investment in surrounding areas.

9. To promote the health, safety, order, convenience, prosperity and the general welfare, as well as efficiency and economy in the process of development.

10. To provide development/business opportunities in the areas selected for redevelopment projects and the surrounding areas.

11. To stimulate construction employment opportunities and increased demand for secondary and support services for the surrounding commercial area.

12. To preserve and rehabilitate the existing residential development, and construct new residential development in the vicinity of the Redevelopment Area, and appurtenances thereto, the new residents of which will patronize the retail establishments and allow for their economic viability.
EXHIBIT 4
ESTIMATED REDEVELOPMENT PROJECT COSTS

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<td><strong>COMMISSION EXPENSES</strong></td>
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<td>*1. Estimated Reimbursable Costs for Plan Implementation</td>
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<tr>
<td>A. Legal</td>
<td>$20,000</td>
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<td>B. Agenda</td>
<td>2,000</td>
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<td>C. Staff Time</td>
<td>20,000</td>
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<td>D. Miscellaneous</td>
<td>4,000</td>
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<td>2. Final Development Plan Approval Fees ($0.05 per square foot @ 390,000 s.f.)</td>
<td>19,500</td>
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<td>3. Plan Administration and TIF General Expenses</td>
<td>230,000</td>
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<td><strong>SUBTOTAL COMMISSION EXPENSES</strong></td>
<td>295,500</td>
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**LINWOOD CORRIDOR PROJECT**

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<th>AMOUNT</th>
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<tr>
<td>Land Acquisition</td>
<td>6,632,550</td>
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<td>Relocation</td>
<td>2,250,000</td>
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<tr>
<td>Demolition</td>
<td>1,275,110</td>
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<td>Land Acquisition Soft Costs</td>
<td>729,840</td>
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<tr>
<td>Building and Developer Site Improvements</td>
<td>8,175,950</td>
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<td>Excavation &amp; Site Work including: Sanitary Sewer, Water, Gas, Storm Sewer, Paving, Lighting, Main Electrical Cable, Concrete Curbs, Sidewalks &amp; Driveway, Landscaping, etc.</td>
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<td>Offsite Costs including traffic light, accel/decel and turn lanes, utilities</td>
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<td>Soft Costs</td>
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<td><strong>SUBTOTAL PHASE I</strong></td>
<td>28,183,540</td>
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40TH & MILL PROJECT

Land Acquisition 3,074,660 290,940
Building and Developer Site Improvements 3,260,000 0
Excavation & Site Work including Sanitary Sewer, Water, Gas, Storm Sewer, Paving, Lighting, Electrical Service, Concrete Curbs, Sidewalks & Driveways, Landscaping, etc. 587,660 0
Off-Site Improvements including traffic light, Mill Street accel/decel and turn lanes, water detention, utilities 1,009,060 1,009,060
Soft Costs 1,119,220 0

SUBTOTAL PHASE II 9,030,600 1,300,000

HOUSING PROJECTS

Amount of PILOTS and Economic Activity Taxes generated by Redevelopment Projects, which may be used to fund future housing projects 38,560,500 38,560,500

TOTAL $76,070,140 $45,406,000

* The selected developer shall pay all fees and expenses of the TIF Commission for Plan preparation, approval and implementation including, but not limited to, staff time, agenda costs, legal fees, printing and publication of notices. The selected developer shall be billed for these expenses by the Commission as needed. These expenses shall be considered reimbursable project costs to the developer from the Special Allocation Fund.

In addition, up to five percent (5%) of the annual PILOTS collected may be retained by the TIF Commission to cover incidental expenses incurred by the TIF Commission. This amount will be figured and allocated prior to allocation to any other reimbursable costs.

12/10/92
EXHIBIT 5

A. SOURCE OF FUNDS FOR ALL ESTIMATED REDEVELOPMENT PROJECT COSTS

1. Amount of Reimbursable Costs from PILOTS and Operation and Activity Taxes within proposed Redevelopment Project Areas $6,845,500

2. Private Investment and other Sources within proposed Redevelopment Project Areas $30,664,140

3. Amount of PILOTS and Economic Activity Taxes generated by Redevelopment Projects, which may be used to fund future housing projects $38,560,500

TOTAL $76,070,140

B. BONDS

The total estimated amount of PILOTS and Economic Activity Taxes over twenty-three years available to reimburse project costs is $45,406,000. The Commission may dedicate part or all of this amount to help support the issuance of bonds to defray the cost of the projects. This amount of PILOTS will support approximately $14,000,000 in bonds over 23 years assuming an interest rate of 8% and coverage of 125%.

12/9/92
EXHIBIT 6

ESTIMATED ANNUAL PAYMENTS IN LIEU OF TAXES AND ECONOMIC ACTIVITY TAXES OVER THE LIFE OF THE REDEVELOPMENT PLAN

<table>
<thead>
<tr>
<th>YEAR</th>
<th>100% PILOT</th>
<th>50% OF ECONOMIC ACTIVITY TAXES</th>
<th>ANNUAL TOTAL</th>
<th>CUMULATIVE TOTAL</th>
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TOTAL 6,924,000 38,482,000 45,406,000 45,406,000
December 11, 1992

Laura Whitener
Economic Development Corporation
10 Petticoat Lane
Kansas City, Missouri 64106

Dear Laura:

Please find enclosed our revised Proposal for Redevelopment of the Linwood-Gillham and 40th & Mill Sites. This Proposal has been revised to reflect that our projects are now to be built in two phases, rather than three. It also includes our most current numbers and reflects our best guess as to the types and sizes of our tenants. I have included a revised Exhibit D (formerly E) which summarizes the TIF Funds over the period 1993 through 2017. I have included revised Site Plans and current copies of our tenant and financing letters.

This information continues to evolve and, therefore, we reserve the right to make modifications as new information becomes available.

Sincerely,

BLOCK & COMPANY, INC., REALTORS

[Signature]

Stephen J. Block
Senior Vice President

SJB/nld

Enclosure
PROPOSAL
FOR
REDEVELOPMENT
OF THE
LINWOOD-GILLHAM / 40TH & MILL
REDEVELOPMENT AREA

PRESENTED BY

MIDTOWN REDEVELOPMENT CORPORATION

A JOINT VENTURE OF

STEPHEN J. BLOCK
AND
ROGER L. COHEN

**** REVISED ****
DECEMBER 10, 1992
On August 13, 1992, the Tax Increment Financing Commission of Kansas City, Missouri issued a Request for Proposals for the Linwood-Gillham / 40th & Mill Redevelopment Area. This proposal has been prepared in response to that request.
INDEX

REDEVELOPMENT TEAM ........................................... 1
REDEVELOPER'S EXPERIENCE ..................................... 2
PLAN EXPLANATION .................................................. 4
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I.

REDEVELOPMENT TEAM

<table>
<thead>
<tr>
<th>Name:</th>
<th>MIDTOWN REDEVELOPMENT CORPORATION</th>
</tr>
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<tbody>
<tr>
<td>Address:</td>
<td>c/o Block &amp; Company, Inc., Realtors</td>
</tr>
<tr>
<td></td>
<td>605 West 47th Street</td>
</tr>
<tr>
<td></td>
<td>Kansas City, Missouri 64112</td>
</tr>
<tr>
<td>Phone:</td>
<td>531-1400</td>
</tr>
<tr>
<td>Fax:</td>
<td>932-5599</td>
</tr>
<tr>
<td>Contact:</td>
<td>Stephen J. Block</td>
</tr>
<tr>
<td></td>
<td>932-5537</td>
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<tr>
<td></td>
<td>Gene R. Moffitt</td>
</tr>
<tr>
<td></td>
<td>932-5557</td>
</tr>
<tr>
<td></td>
<td>or</td>
</tr>
<tr>
<td></td>
<td>Roger L. Cohen</td>
</tr>
<tr>
<td></td>
<td>531-8100</td>
</tr>
<tr>
<td></td>
<td>David M. Lacy</td>
</tr>
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<td></td>
<td>531-8100</td>
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<tr>
<td>Team Members:</td>
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<tr>
<td></td>
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<td>Gene R. Moffitt</td>
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<td>David M. Lacy</td>
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<td></td>
<td>Tom Nelson</td>
</tr>
<tr>
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<td>BNIM Architects</td>
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<td>Robert L. Frye</td>
</tr>
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<td></td>
<td>R.L. Frye Architects</td>
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<tr>
<td></td>
<td>Sylvester Holmes</td>
</tr>
<tr>
<td></td>
<td>Black Economic Union</td>
</tr>
</tbody>
</table>

Note: Midtown Redevelopment Corporation (MRC) is a corporation to be formed under the laws of Missouri. Upon designation by the Tax Increment Finance Commission of Kansas City as Developer, Roger L. Cohen and Stephen J. Block will form MRC. It is anticipated that MRC will be a properly formed legal entity at such time as final documents are ready for execution.
II.

REDEVELOPER'S EXPERIENCE

As MIDTOWN REDEVELOPMENT CORPORATION is an entity yet to be formed, it has no experience or accomplishments relevant to the proposal. However, each member of the team has been involved in numerous redevelopment projects in Kansas City, Missouri which do have relevance to this proposal. A portion of that experience is listed below:

Stephen J. Block

Developer of the Landmark Building at 39th and Main, Kansas City, Missouri. This 28,000 square foot office and retail project was developed in 1984 in conjunction with the Land Clearance for Redevelopment Authority.

President of Union Hill Acquisition and Vice-President of Phoenix Redevelopment Corporation. These companies were formed in 1987 to carry out the redevelopment of the Union Hill area generally bounded by 29th, 31st, Main and Gillham. The Union Hill project includes both commercial and residential uses and is organized as a Chapter 353 redevelopment.

Gene R. Moffitt

Co-Developer of the Linwood & Prospect Shopping Center along with Stephen Block and Community Development Corp - Kansas City. This 75,000 square foot shopping center was constructed in 1984 in an extremely blighted area of Kansas City, Missouri. The project incorporated a unique mix of public and private financing. It was built using several City and corporate grants, a UDAG of $925,000, a 1st mortgage loan in the amount of $2,500,000 from the Community Affairs Division of the Prudential Insurance Company and over $500,000 of private equity investment.

Roger L. Cohen

General Partner and developer of Thayer Place, a 70,000 square foot office redevelopment at 9th & Broadway, Kansas City, Missouri. Managing partner and investor in the 20th & Main Redevelopment Project, a 12,000 square foot office and retail redevelopment.

Consultant to LCRA in the condemnation process and property acquisition for AT&T Town Pavilion and adjoining parking facility as well as consultant to LCRA...
in the same capacity for the acquisition of the Quality Hill Redevelopment Project.

David M. Lacy

A principal incorporator of the 45th & Main Street Redevelopment Corporation, the developer of the $50,000,000 complex which now includes the 300 room Holiday Inn Crowne Plaza Hotel and the 200,000 square foot One Main Plaza office building. The project was developed in 1985 and 1986 under the auspices of the Missouri Chapter 353 Redevelopment Law.

Former president of the Main Street Corridor Development Corporation, and a principal participant in that organization's efforts to be a catalyst in the redevelopment of the 39th & Main Street intersection and Warner Plaza.

Tom Nelson

BNIM as a firm, and Tom Nelson as Principal, have a long history of experience and involvement in projects addressing complex urban issues: development and neighborhood planning, renovation of significant urban structures, and large multi-use projects on urban sites. Examples of BNIM's work include the 1220 Washington Office Building, Justin Place Housing Project and One Kansas City Place.

Robert L. Frye

President of Phoenix Redevelopment Corporation which is a wholly owned subsidiary of Union Hill Acquisition. Bob has been involved daily in the operation of the Union Hill project including construction management, design, land planning, property management and personnel.

Partner and developer of the Roanoke Court Apartments which involved a complete "gut rehab" including compliance with historic rehabilitation requirements.

Sylvester Holmes

As president of the Black Economic Union, Sylvester has had wide experience in real estate development, finance, community planning and public administration.

The BEU has assisted in planning and implementation of commercial development in the 18th & Vine Historic District and the Downtown East commercial area including renovation of the Lincoln Office Building which involved tax abatement.
III.

PLAN EXPLANATION

EXISTING USES

MRC proposes to redevelop the area commonly known as 40th and Mill Streets as well as the area generally bounded by Main, Linwood, Gillham and the alley between 33rd and 34th Streets all in Kansas City, Missouri. The Mill Street property consists of approximately 355,000 square feet and is currently owned by 3 separate entities with the largest parcel owned by the City of Kansas City. The Linwood project area consists of approximately 1,400,000 square feet and is currently owned by over 175 separate entities. The largest property owner in the Linwood site is Luzier Plaza Associates (a partnership of Roger Cohen, several Cohen-Esrey principals, and Luzier Personalized Cosmetics, Inc.) which owns more than 4 acres at the east end of the site. Other significant owners / users range from McDonald’s Corporation, Berbiglia, Taco Bell, Total Petroleum and Captain D’s and the Main Street Corridor Development Corporation to 3 “adult entertainment” businesses, Ray’s Play Pen, the Dove Theater (Bazooka’s) and the News Emporium. These “adult” businesses will require special consideration during the acquisition phase due to their higher than normal expected acquisition cost. The balance of the Linwood site is made up of single- and multi-family structures in various states of repair. Many of these structures are unsafe and in recent years several have been destroyed by fire.

PROPOSED CONSTRUCTION

MRC’s plan consists of construction of a major shopping center on each of the 2 sites. Phase I (Linwood & Gillham) will consist of a 50,000 square foot Price Chopper Grocery Store, a 115,000 square foot K-Mart discount store, a 60,000 square foot Payless Cashways Home Improvement Center, a 25,000 square foot soft goods store and approximately 50,000 square feet of smaller retail shops and pad sites. The existing McDonald’s, Vickers, Taco Bell, Captain D’s and Church’s will be asked to modify their properties to conform with the plan. These modifications will include cosmetic improvements such as painting, landscaping as well as possible adjustments to parking lots and traffic lanes. Phase II (Mill Street) will consist of a 65,000 square feet Sun Fresh Grocery Store and approximately 25,000 square feet of additional retail space. All told, approximately 390,000 square feet of new retail space is planned. The proposed site plans for both project areas are attached as Exhibits A-1 and A-2.

Overall construction estimates at this time indicate a total project cost for all of Phases I - II of over $37,000,000. A summary of the project cost and sources of
funds is given below:

<table>
<thead>
<tr>
<th>Project</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Phase I - Warner</td>
<td>$28,183,544</td>
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<tr>
<td>Phase II - Mill Street</td>
<td>$9,030,592</td>
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<td>$37,214,136</td>
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<td>First Mortgage</td>
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<td>UDAG</td>
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<td>Section 108</td>
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<tr>
<td>Pad Site Sales</td>
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<tr>
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<tr>
<td>Investor Equity</td>
<td>2,204,136</td>
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<td>$37,214,136</td>
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</table>

Detailed cost projections are attached as exhibits B - C to this proposal.

PROJECT TIMING

Acquisition for Phases I & II will commence immediately. The construction of Phase II will commence in the early spring of 1993 and be completed in late 1993 or early 1994. Acquisition of the land for Phase I is expected to commence in the spring of 1993 and be completed in spring of 1994. Actual construction of the Phase I buildings will commence in early 1994 and conclude in late 1994 and early 1995.

PROJECT LAYOUT & DESIGN

The project design has been modified several times during this process and will continue to change as engineering and tenant selection proceeds. MRC will use materials and designs that are sympathetic to the surrounding area however, that portion of the design work is not yet underway. MRC is desirous of having both Linwood and Gillham landscaped according to the standards set when the boulevard system was created. To the extent that this level of landscaping does not unnecessarily interfere with existing businesses, MRC will undertake to install these plantings.

The Warner project will require widening of Main Street and probably Linwood Boulevard. It will also require minor modifications to Gillham Plaza. The expected cost of these improvements is approximately $700,000 plus $500,000 for utility relocations. The Mill Street project will require a new intersection at Southwest Trafficway and the old 41st Street right of way with appropriate left
turn lanes to and from the Trafficway. Additionally, Mill Street will require relocation and expansion of an existing storm drainage system that is now undersized. All of this "off site" work is expected to cost approximately $1,009,000.

HOUSING RENOVATION

The third and final Phase of MRC's plan calls for the TIFC (or its designee) to administer the excess TIF revenues derived from Phases I - II for renovation of existing housing in the vicinity of the Project Areas. This Phase III should consist of aggressive preservation and rehabilitation of existing housing, and construction of new residential development. It is critical to the success of the Phase I - II improvements to have the housing in immediate proximity to those projects dealt with at the earliest possible date. Current estimates place the value of new and renovated housing in Phase III at approximately $250,000,000 to $325,000,000. Of this amount approximately $35,000,000 will come from TIF revenues with the balance to come from private investment and matching funds from other public funding sources.

The feasibility and ultimate success of this Plan is contingent upon the success of each of the four phases described herein. The Plan's aggressive residential development program will bring new families with added purchasing power to the midtown area. This in turn will generate more sales at existing establishments as well as those new retail facilities to be built. The PILOTS and Economic Activity Taxes resulting from the retail improvements in Phases I - II will be applied, in part, to payment for the cost of Phases I - II. However, the majority of those revenues will be used to fund the preservation and renovation of existing housing and the construction of new housing in the vicinity of Phases I - II.

It should be noted that initial tenant response indicates a high level of interest particularly in the housing component of the overall plan. But for this housing component, the tenant interest would not exist at all. MRC feels that the housing component must be aggressively pursued in order to keep the tenant interest up and to insure the ultimate success of the tenants and the attendant TIF revenue stream. Additionally, a program for marketing these new and renovated units to employees of nearby corporations must be implemented at once in order to insure the success of the housing program.

In addition to the housing renovation program, MRC urges the TIFC to create a funding method to enhance police protection in the Midtown area. This can be done in conjunction with the federal "Weed and Seed" program being proposed for this area. This will complete the necessary triad for urban revitalization - ample, competitive shopping and services, modern, safe and reasonably priced single- and multi-family housing and control and deterrence of crime.
TAX INCREMENT FINANCING

The plan proposed herein will make use of both PILOTS and Activity Taxes generated by Phases I - II. The total revenues from these sources are expected to be approximately $15,000,000 and $31,200,000 respectively. The projections for TIF revenues are given in Exhibit D. MRC is proposing that all PILOTS and Activity Taxes would be deposited into a special fund administered by the TIFC. The TIFC would then make payments to MRC on an annual basis as shown in Exhibit D. The payments to MRC would be made out of the first available funds in the special fund on a preferential basis, subject to availability. Excess funds in the special fund would then be available for use in Phase III on an annual basis. Exhibit D shows the estimated amount of funds available for each phase of the Plan on an annual basis. Exhibit D also indicates that an average of approximately $14,000 (computed at 2.0% of the PILOTS) is expected to be available to pay the TIFC's expenses of administering the TIF revenues.

OTHER PUBLIC FUNDS

The Plan requires that $8,110,000 in public funds must be made available at the outset. These funds are expected to come from a Section 108 Loan from HUD to the City ($4,500,000), a UDAG grant from HUD to the City ($1,460,000) and transfer of the purchase price paid for the City's property at Mill Street as a grant to reduce the cost of Phase I ($2,150,000).

CONDEMNATION POWERS

MRC intends to negotiate the purchase of certain major properties within the Phase II plan area. In the event MRC is unable to reach accord with a property owner, MRC will ask the TIFC to condemn that property. MRC desires for the City or the TIFC to acquire most of the properties within the Phase I area and to eliminate any and all interests in the real estate. MRC currently controls certain portions of the property within Phase I which will not need to be condemned. MRC further desires the City to perform all demolition and rough grading and to pay all relocation and related expenses prior to delivery of title to MRC. The estimated costs for the acquisition, demolition and relocation for Phase I are shown on Exhibit B-1.

CONTINGENCIES

The Plan proposed herein is contingent on a number of factors, some of which are not wholly in the control of the developer. These contingencies are listed below:

1. Selection by the TIFC of MRC as the redeveloper.
2. Availability of the Section 108 Loan in the amount of $4,500,000.

3. Availability of the UDAG in the amount of $1,460,000.

4. Agreement of the City to contribute its purchase proceeds from the Mill Street land to Phase I in the minimum amount of $2,150,000

5. Availability of a conventional 1st mortgage loan in the amount of minimum $13,200,000 for Phase I with satisfactory terms.

6. Availability of a conventional 1st mortgage loan in the amount of minimum $6,650,000 for Phase II with satisfactory terms.

7. Agreement of the City to rezone, replat and approve the development plans as necessary.

8. Agreement of the City to issue up to $6,550,000 in TIF bonds secured by revenues from Phases I - II.

9. Agreement of the City and the Parks Department to the vacation of certain streets and rights of way within the project areas.

10. Approval by the City of all building plans.

11. Acquisition of all properties and relocation of all owners within the plan area by the City. The cost of these acquisitions and relocations are to be paid by MRC upon delivery of title to the properties to MRC.

**AFFIRMATIVE ACTION**

MRC has entered into a tentative agreement with the Black Economic Union to co-venture the implementation of the Plan. MRC will use its best efforts to conform with the TIFC's goal of 15% MBE/WBE participation in all phases of the Project, including construction and operation.

**FUNDING AVAILABILITY**

MRC has reason to believe that it will be able, subject to the foregoing contingencies, to obtain the necessary leases and private funding for the completion of the Plan. Exhibit E attached is an indication of the availability of conventional loans for a project of this type. MRC believes that private investors will be interested in an investment of this type given completed leases, availability of satisfactory conventional loans and availability of TIF and other public funds.
as discussed herein.
## Warner Plaza

**Budget Revised:**

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<th>Private Funding</th>
<th>TIF Funding</th>
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<td><strong>Building 4 - Treasury Drug</strong></td>
<td>2,606,854</td>
<td>9,000</td>
<td>37,000</td>
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<tr>
<td><strong>Building 5 - Payless Cashways</strong></td>
<td>1,590,000</td>
<td>60,000</td>
<td>26,50</td>
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<td><strong>Building 6 - Grocer</strong></td>
<td>1,500,000</td>
<td>50,000</td>
<td>39,000</td>
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<tr>
<td><strong>Building 7 - Major</strong></td>
<td>875,000</td>
<td>25,000</td>
<td>35,000</td>
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</table>

**Examination & Site Work including:**

- Sanitary Sewer, Water, Gas, Storm Sower
- Paving, Lighting, Main Electrical Cable,
- Concrete Curbs, Sidewalks &
- Stormways, Landscaping, Etc.

**Shopping Center Signs**

- Offsite Costs including traffic light,
- accommodation and turn lanes,
- water company, gas
- company, power company fees

**Construction Inspections**

- 5,00

**Tenant Improvement Allowance**

- 3.00%

**Construction Contingency @**

- 3.16

**Total Estimated Project Development Cost**

- 28,183,544

**Net Equity Requirement**

- 1,123,544

**Preliminary**

<table>
<thead>
<tr>
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<th>Preliminary</th>
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<tbody>
<tr>
<td><strong>Net Project Cost After Pad Sales &amp; TIF Funds</strong></td>
<td>16,473,544</td>
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<tr>
<td><strong>Net Square Foot Built</strong></td>
<td>267,687</td>
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<tr>
<td><strong>Net Cost per Square Foot</strong></td>
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**EXHIBIT B-1**
### Off Site Improvement Detail

<table>
<thead>
<tr>
<th>Description</th>
<th>Unit</th>
<th>Quantity</th>
<th>Rate</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Requirements</td>
<td></td>
<td></td>
<td></td>
<td>102,701</td>
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<tr>
<td>Storm Sewer &amp; Water Mains</td>
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<td>182,400</td>
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<tr>
<td>Widen Main Street</td>
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<td>155,598</td>
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<tr>
<td>Widen Unwood</td>
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<td>150,257</td>
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<td>Utility Relocations</td>
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<td>500,000</td>
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<td>Traffic Signals &amp; Street Lights</td>
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<td></td>
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<td>133,500</td>
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<tr>
<td><strong>Sub-Total</strong></td>
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<td></td>
<td>1,224,516</td>
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<tr>
<td>Fee</td>
<td></td>
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<tr>
<td><strong>Total</strong></td>
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<td>1,285,742</td>
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### On Site Improvement Detail

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<th>Amount</th>
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<td>sf</td>
<td>1,073.237</td>
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<td>Excavation &amp; Demolition</td>
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<td>1,073.237</td>
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<td>Retaining Walls</td>
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<td>Water Main &amp; Hydrants</td>
<td>ft</td>
<td>2,500</td>
<td>44.43</td>
<td>111,200</td>
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<td>Storm Sewer</td>
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<td>153.40</td>
<td>306,800</td>
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<td>Asphalt</td>
<td>sy</td>
<td>79.061</td>
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<tr>
<td>Sanitary Sewer</td>
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<td>43.75</td>
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<td>Concrete Flatwork</td>
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<td>Landscaping</td>
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<td>10.00</td>
<td>350,000</td>
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<td>Parking Lot Lighting</td>
<td>sf</td>
<td>751,550</td>
<td>0.15</td>
<td>115,900</td>
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<td>3,247,765</td>
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<td><strong>Total On Site Cost</strong></td>
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<td>3,410,153</td>
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---

**Preliminary**

**Exhibit B-2**
WARNER PLAZA

PROJECT PROFORMA

INCOME:

Building 1 - West shops 15,600 9.65 153,660
Building 2 - Other Shops 18,500 9.65 182,225
Building 3 - Discount 114,587 5.25 602,933
Building 4 - Treasury Drug 9,000 9.65 88,650
Building 5 - Payless Cashways 60,000 6.75 405,000
Building 6 - Grocer 50,000 5.25 262,500
Building 7 - Major 25,000 7.75 193,750

GROSS SCHEDULED INCOME 282,887 6.06 1,774,974

Vacancy On Shops @ 20.00% (71,997)

EXPENSES:

Management @ 2.00% 53,249
Taxes (on vacant) 1.75 29,435
Insurance (on vacant) 0.12 2,018
Common Area Maintenance & Security (on vacant) 1.00 16,820
Accounting & Miscellaneous 6,000
Capital Replacement Reserve 0.10 22,769

NET OPERATING INCOME 1,564,185

Plus TIF Revenues for Debt Service 115.00% 2,463,351

DEBT SERVICE
1ST Mortgage 8.75% 25 1,302,276
TIF Bonds 8.00% 10 182,405

CASH FLOW 379,270

RETURN ON EQUITY 11.59%

DEBT COVERAGE - overall 116.19%
DEBT COVERAGE - Nov 1st 120.11%

PRELIMINARY

EXHIBIT B-3
<table>
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<tr>
<th>Land</th>
<th>TOTAL BUDGET</th>
<th>GROCER 72.22%</th>
<th>OTHER TENANT 27.78%</th>
<th>SOURCE</th>
<th>PRIVATE FUNDING</th>
<th>TIF FUNDING</th>
<th>OTHER PUBLIC</th>
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<tr>
<td>City Property</td>
<td>287,897</td>
<td>7,47</td>
<td>2,150,000</td>
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<td>597,222</td>
<td>1,859,056</td>
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<td>Corea</td>
<td>4,000</td>
<td>800</td>
<td>33,600</td>
<td>74,267</td>
<td>3,333</td>
<td>33,500</td>
<td>80,000</td>
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<td>6,089</td>
<td>13,14</td>
<td>80,000</td>
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<td>22,222</td>
<td>811,082</td>
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<tr>
<td>Dunn</td>
<td>57,933</td>
<td>14,00</td>
<td>811,062</td>
<td>565,767</td>
<td>225,295</td>
<td>811,082</td>
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<tr>
<td>Building 1 - Grocer</td>
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<td>37,50</td>
<td>2,437,500</td>
<td>2,437,500</td>
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<td>2,437,500</td>
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<td>Building 2 - Major</td>
<td>35,000</td>
<td>32,50</td>
<td>812,500</td>
<td>812,500</td>
<td></td>
<td>812,500</td>
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<tr>
<td>Excavation &amp; Site Work including: Sanitary Sewer, Water, Gas, Storm Sewer Paving, Lighting, Main Electrical Service Concrete Curbs, Sidewalks &amp; Driveways, Landscaping, Etc.</td>
<td>567,656</td>
<td>409,974</td>
<td>157,682</td>
<td>567,656</td>
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<td>Shopping Center Signs</td>
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<td></td>
<td></td>
<td>10,000</td>
<td>7,222</td>
<td>2,778</td>
<td>10,000</td>
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<tr>
<td>Offsite Costs including traffic sight, Mill Street access/road and turn lanes, water detention water company, gas, sewer relocation corona, power company fees</td>
<td>1,009,056</td>
<td>728,763</td>
<td>280,293</td>
<td>0</td>
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<tr>
<td>Construction Inspections</td>
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<td>2,778</td>
<td>10,000</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Construction Contingency (%)</td>
<td>4.00%</td>
<td>55,956</td>
<td>45,838</td>
<td>50,130</td>
<td>95,988</td>
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<td>Surveys</td>
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<td>5,417</td>
<td>2,983</td>
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<td>10,833</td>
<td>4,167</td>
<td>15,000</td>
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<tr>
<td>Prinering</td>
<td>2,500</td>
<td>1,806</td>
<td>694</td>
<td>2,500</td>
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<tr>
<td>Traffic Study</td>
<td>2,500</td>
<td>1,806</td>
<td>694</td>
<td>2,500</td>
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<td>37,500</td>
<td>135,000</td>
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<td>Architectural and Engineering Fee</td>
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<td>28,750</td>
<td>103,500</td>
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<td>Lease Commissions</td>
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<td>62,500</td>
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<td>Loan Points - Interest (%)</td>
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<td>48,028</td>
<td>18,472</td>
<td>65,500</td>
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<tr>
<td>- Permanent (%)</td>
<td>65,500</td>
<td>48,028</td>
<td>18,472</td>
<td>65,500</td>
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<td>Interim Construction Interest</td>
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<td>66,500</td>
<td>232,750</td>
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<td>Taxes During Construction</td>
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<td>Insurance During construction</td>
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<td>3,011</td>
<td>991</td>
<td>3,000</td>
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<td>Title Insurance, Closing, Recording</td>
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<td>10,000</td>
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<td>Legal Fees</td>
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<td>28,599</td>
<td>11,111</td>
<td>40,000</td>
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<td>TIF Bond Sales Cost</td>
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<tr>
<td>Syndication Costs</td>
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<td>11,111</td>
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<td>Working Capital, Contingency</td>
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<td>5,556</td>
<td>20,000</td>
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</table>

**TOTAL ESTIMATED PROJECT DEVELOPMENT COST**

| Loan | 6,850,000 | 4,750,000 | 1,500,000 | 6,850,000 | |
| TIF Bonds | 1,300,000 | 938,009 | 361,111 | 1,300,000 | |

**NET INVESTOR EQUITY REQUIREMENT**

| Net Project Cost | 7,730,592 | 7,730,592 | |
| Net Square Feet Built | 90,000 | 90,000 | |
| Net Cost per Square Foot | 85.90 | 85.90 | |

PRELIMINARY

EXHIBIT C-1
MILL STREET PLAZA

PROJECT PROFORMA

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<tr>
<th>INCOME</th>
<th>TOTAL</th>
<th>GROCER</th>
<th>OTHER</th>
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<table>
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<th>EXPENSES</th>
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<tbody>
<tr>
<td>Management &amp; Accounting &amp; Miscellaneous</td>
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<td>Reserves for Structural</td>
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<td>(725)</td>
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<td>(275)</td>
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<td>(7,000)</td>
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<td>(3,000)</td>
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<table>
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<th>NET OPERATING INCOME</th>
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<tr>
<td>Plus: TIF Returned to Developer</td>
<td>115.00%</td>
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<td>61,889</td>
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<table>
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<th>DEBT SERVICE - First Mortgage</th>
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<td>- TIF bonds</td>
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<tr>
<td></td>
<td>(656,071)</td>
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<td></td>
<td>(463,922)</td>
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<td>(187,449)</td>
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<td>193,738</td>
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<tr>
<td></td>
<td>(139,922)</td>
</tr>
<tr>
<td></td>
<td>(53,816)</td>
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<table>
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<th>CASH FLOW</th>
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<td>122,994</td>
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<td>52,471</td>
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</table>

RETURN ON EQUITY | 16.24% | 13.07% | 26.17%

DEBT COVERAGE - Overall | 120.62% | 120.21% | 121.75%
DEBT COVERAGE - NOI/1st | 122.52% | 121.77% | 123.95%

PRELIMINARY

EXHIBIT C-2
<table>
<thead>
<tr>
<th>Year</th>
<th>Mill Street</th>
<th>Warner</th>
<th>Totals</th>
<th>Distribution</th>
<th>Midtown Redevelopment Corp</th>
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<td>Pits</td>
<td>Activity Taxes</td>
<td>Pits</td>
<td>Activity Taxes</td>
<td>Pits</td>
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<tr>
<td>1995</td>
<td>0</td>
<td>35,180</td>
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<tr>
<td>1996</td>
<td>157,501</td>
<td>351,800</td>
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<td>156,781</td>
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<tr>
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<td>150,600</td>
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<tr>
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<td>1999</td>
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<td>373,333</td>
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<td>160,700</td>
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<td>2000</td>
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<td>177,302</td>
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<td>2001</td>
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<td>2002</td>
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<td>391,184</td>
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<td>2003</td>
<td>180,181</td>
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<td>2004</td>
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<td>204,671</td>
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<td>2005</td>
<td>186,277</td>
<td>420,434</td>
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<td>212,601</td>
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<td>2007</td>
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<td>2008</td>
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<td>11,741,228</td>
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**MILL STREET**
- Total Front End Cost: 1,500,000
- To Be Paid by TIF Funds: 1,500,000
- Interest Rate: 8.0%
- Term (Yrs): 10
- Annual Payment: 193,738

**WARNER**
- Total Front End Cost: 6,500,000
- To Be Paid by TIF Funds: 6,500,000
- Interest Rate: 8.0%
- Term (Yrs): 10
- Annual Payment: 619,662

**Exhibit D**

**R.E. Tax**
- Resi: 1.75 per sq ft
- Commercial: 200.00 per sq ft

**Sales**
- Grocery: 385.71 per sq ft
- Other: 200.00 per sq ft

**Payroll**
- Grocery: 2,000,000
- Other: 700,000
December 4, 1992

Mr. Robert Mayer, Chairman
Tax Increment Financing Commission of Kansas City
One Petticoat Lane
Kansas City, MO 64106

RE: Linwood & Main Street
Kansas City, MO

Dear Mr. Mayer:

The Kmart Corporation has been closely monitoring the referenced development and as you know, Kmart is committed to working with Cohen & Block to be part of the development.

Kmart and our subsidiaries have in recent years opened over 150 stores per year and in approximately 90% of the developments, Kmart has opted to work with a developer who assembles the land, negotiates a lease and then builds the store for us.

Kmart is confident that Cohen & Block and AG Foods will have no problem in obtaining financing to build the referenced project. However, Kmart felt it was appropriate to inform the TIF Commission that in the event Cohen & Block cannot obtain a final formal commitment, Kmart Self Development could be available to proceed and finance the project. Under this scenario, Kmart would supplant the role of Cohen & Block and become the developer. At this time, we feel Cohen & Block will complete the project and respectfully request the TIF Commission to give them the opportunity to produce what we feel is a well conceived development plan for urban Kansas City, Missouri.

Thank you for your cooperation.

Very truly yours,

James P. Reuter

JPR/dw
October 28, 1992

Mr. Robert Mayer, Chairman  
Tax Increment Financing Commission of Kansas City  
One Petticoat Lane  
Kansas City, MO 64106

Dear Mr. Mayer:

As you are aware, Associated Wholesale Grocers, a locally based company, has been supplying grocery stores in the Midtown Kansas City area for several decades. The two development opportunities in the Midtown area are of significant interest to us because of our current involvement in the area as well as the opportunities these projects present to our current retailer operators.

We have worked extensively with the principles of the Block and Company/Cohen Esrey Development team in an effort to secure two retail grocery store locations for our existing retailers in the Midtown area. A.W.G. management is aware of these two projects and have given conditional approval to proceed with these projects, subject to the normal processes that A.W.G. requires for all real estate projects, including without limitation, execution of leases between Block and Company/Cohen and A.W.G. for each location and the non-occurrence of any unforeseen circumstances or changes in the market prior to consummation of the proposed transaction.

We urge the Tax Increment Financing Commission to approve the Block/Cohen plan as soon as possible so that these projects can commence without delay.

Sincerely,

Scott Wilmoski  
Vice President  
Real Estate & Store Engineering  

SW/inf
November 9, 1992

Mr. Willone Eubanks
President
Allied Companies
2319 E. 12th Street
Kansas City, Missouri 64127

Dear Willone:

I am pleased to confirm our interest in participating in the Warner Plaza Project. This location is ideal for a Payless Cashways building materials facility. We believe Payless' participation will be an important part in improving a core area of Kansas City, Missouri.

In 1988, Payless' management purchased Payless Cashways in a leveraged buyout. Accordingly, we operate with certain bank covenants and constraints that limit our growth. However, we have a serious interest in the Warner Plaza Project, and will give our best efforts to participate.

Sincerely,

[Signature]

SAL:mer

cc: Larry Kunz
    Ritchy Brown
October 29, 1992

Mr. Steve Shearer  
Block & Company, Inc.  
605 West 47th Street  
Kansas City, MO  64112

RE: Warner Luzier Plaza  
Kansas City, Missouri

Dear Mr. Shearer:

I appreciate you and your company making Treasury Drug aware of the proposed Warner Luzier Plaza. Our Company is sincerely interested in becoming part of this shopping center project. We currently operate 24 Treasury Drug stores in the Kansas City M.S.A. and our stores' average annual sales are $1.6 million per store. We typically employ five (5) full time and five (5) part-time employees in new store operations.

In addition to our Treasury Drug stores, our Company, Thrift Drug, Inc., also operates Mail Order Pharmacies. We are currently constructing a 32,000 sq. ft. Mail Order facility in the Airworld Business Park, which is located near the Kansas City airport. This facility will employ approximately 250 people. Thrift Drug, Inc. is a fully owned subsidiary of the J. C. Penney Company and our current net worth is approximately $210 million.

Please advise our Real Estate Department as to how we can proceed with this shopping center project. If there are any questions or additional information is needed, please call our offices at any time.

Sincerely,

THRIFT DRUG, INC.

[Signature]

Lee Vrcek  
Real Estate Department
November 3, 1992

Mr. David Block
Block & Company, Inc.
605 West 47th Street
Kansas City, MO 64112

VIA FAX
(816) 932-5599

Dear David:

It was nice talking with you. Subject to final deal approval by One Price Clothing Store’s Executive Committee, One Price Clothing is interested in your 31st/Linwood/Main K-Mart Development.

Please let me know when you are ready to move forward on a deal.

Sincerely,

ONE PRICE CLOTHING STORES, INC.

James Pye
Regional Director of Real Estate

JP/san
November 2, 1992

Mr. David Block
Block & Co.
605 West 47th
Kansas City, Mo. 64112

Re: Warner / Luzier Plaza

Dear David:

As we discussed, we would have an interest in the above referenced center. Obviously, our interest will depend on existing distribution within the given market as well as the final terms of the proposed lease agreement.

As we agreed, I will await your proposal which is contingent upon the city's approval of the overall project. In the meantime, if you have any questions, please contact me at your convenience.

Yours truly,

Douglas L. Brodbeck
HALLMARK MARKETING CORPORATION
Real Estate Representative
November 24, 1992

Mr. Stephen Block
Block & Co. Inc., Realtor
605 W. 47th St.
Kansas City, MO 64112

Re: Linwood-Main-Gillham Shopping Center

Dear Steve:

Just a note to confirm my interest in and request for space in the "Linwood/Main/Gillham" shopping center. I am interested in putting in a wholesale-outlet type store (with prime location) so the space requirement would be accordingly.

Thank you for your time and consideration in this matter.

Sincerely,

Keith J. Craven
Chief Executive Officer

KJC/kf
October 28, 1992

Mr. Steven Block
Block & Company
605 W. 47th Street
Kansas City, Missouri 64117

RE: Proposed Warner/Luzier and 40th & Mill Street Developments

Dear Steve:

Commerce Bank of Kansas City, N.A. would like to express its interest in providing construction financing for the proposed Warner Plaza and 40th and Mill Projects. It is our understanding based on previous discussions and the material submitted, that the proposed developments will consist of the following:

Locations: The Warner/Luzier Project encompasses an area South of Linwood Boulevard between Main Street and Gilham Road and North of 34th Street. The Mill Project consists of the area South of 40th Street, East of Southwest Trafficway, West of Pennsylvania and North of the proposed Mill Street. Both projects are located in Kansas City, Missouri.

Proposed Improvements: The Warner Plaza Project will consist of approximately 280,000 sq. ft. of retail space, and at least two pad sites for free standing retail use. Mill Street will consist of approximately 95,000 sq. ft. of retail space.

Major Tenants: It is understood that Warner Plaza will be occupied at least 75% by national or regional "credit" tenants with the balance of the space occupied by local or non-credit tenants. It is further assumed that both projects would be pre-leased at rents of a sufficient level to achieve a 120 debt coverage ratio on loan terms available in the market for such projects and with minimum lease terms for the major tenants sufficient to amortize the debt within those lease terms. The Mill Street Project will be 100% occupied by credit retail tenants.

Project Costs: It is estimated that the Warner Plaza Project will have a total cost of approximately $28,000,000. The required construction loan is estimated at $12,750,000 with the balance of the funds needed to come from various sources including UDAG, Section 108 funds and Tax Increment Financing. The proposal also includes developer equity of $1,262,239.

The Mill Street Project cost is estimated at approximately $8,975,000. The construction loan amount as outlined in the proposal is $6,275,000 with the balance of the funds coming from...
TIF Financing of $1,300,000 and investor equity of $1,398,495.

Commerce Bank’s interest in providing such construction financing will be determined by, but not limited to, the following:

1) The borrowing entity being granted an exclusive right to develop the projects previously described and approval by the TIF commission.

2) Complete review of all plans, specifications and costs including actual land acquisition costs and approval of the project budget.

3) Evidence that all other financing required for the project has been secured, and the equity requirement has been or can be met.

4) Leases that are acceptable to the Bank in form, content and lessee.

5) Complete review of the borrower and guarantor financial statements with the condition of such being acceptable to the Bank.

6) The ability of Commerce Bank to require participation by other local bank(s) prior to loan approval.

7) Approval of general contractor.

8) Payment and Performance Bonds for the entire projects proposed.

9) All other terms and conditions required by Commerce Bank upon review of the complete submission package and loan approval.

This letter is not a commitment on the part of Commerce Bank to lend, but rather a statement of interest in providing such financing assuming the terms and conditions required by the Bank are met in a manner acceptable to the Bank.

Sincerely,

COMMERCENT BANK OF KANSAS CITY, N.A.

Steven C. Lynn
Senior Vice President
EXHIBIT 8

DATA PERTAINING TO
THE ADOPTION OF A FINDING OF BLIGHT
FOR THE
MIDTOWN REDEVELOPMENT AREA

PREPARED BY THE TAX INCREMENT FINANCING COMMISSION
OF KANSAS CITY, MISSOURI

DECEMBER 7, 1992

I. INTRODUCTION

A. Purpose of This Report

The purpose of this report is to present evidence supporting designation of the Redevelopment Area (the "Redevelopment Area") as a Real Property Tax Increment Allocation Redevelopment Area.

B. Eligibility Criteria

The Real Property Tax Increment Allocation Redevelopment Act, Missouri Revised Statutes, Section 99.800 et seq., 1986, as amended (the "Act"), provides that a Real Property Tax Increment Allocation Redevelopment Plan can be implemented by the Tax Increment Financing Commission if the governing body of a community determines by ordinance, that an area qualifies under the Act as:

1. a blighted area;
2. a conservation area; or
3. an economic development area; and

that the 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.

This report is intended to show evidence that the Redevelopment Area qualifies as a Blighted Area. The Act defines a "Blighted Area" as follows:

"[A]n area which, by reason of the predominance of defective or inadequate street layout, insanitary 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."
II. REDEVELOPMENT AREA

A. General Location

The Midtown Redevelopment Area consists of two tracts. The first tract is generally bound by Linwood Boulevard, Gillham Boulevard, 34th Street and Main Street (the "Linwood Corridor Tract") and the second tract is generally located between Southwest Trafficway, 40th Street, Pennsylvania Avenue and Mill Street (the "40th and Mill Tract") in Kansas City, Jackson County, Missouri.

Exhibit A shows the location of the Midtown Redevelopment Area.

B. Current Land Uses

1. The Linwood Corridor Tract: Within the Linwood Corridor Tract there are 185 separate ownership parcels owned by 134 different owners. Approximately 63% of the parcels are currently used for single and multifamily residential purposes, 18% as vacant lots, and 19% for commercial and industrially related uses.

2. The 40th and Mill Tract: The 40th and Mill Tract is currently divided into 17 separate ownership parcels owned by five separate owners. The 40th and Mill Tract is predominantly vacant.

III. Blight Area Qualification

A. Prior Blight Designation

Both of the tracts within the Redevelopment Area have been found to be blighted as part of earlier urban renewal designations.

1. The Linwood Corridor Tract: This tract contains the Linwood Gillham Urban Renewal Project Area, which is coterminous with the Linwood Gillham Tax Increment Financing Area, and the Warner Plaza Urban Renewal Project Area. These three project designations were approved by City Council during 1987 and 1988. Despite the approval of urban renewal plans and a TIF plan for the tract, no redevelopment has occurred and the area has seriously deteriorated even further. Physical conditions of deterioration are further exacerbated by arson, prostitution and the illegal drug trade.

Attached as Exhibit B is a copy of the Blight Study prepared by Raymond, Parish, Pine & Weiner, Inc. (RPPW Inc.), dated February 1987 which is the basis of the Linwood Gillham Urban Renewal and TIF designation. Exhibit C contains the Blight Study also prepared by RPPW Inc. in May 1986 which is the basis of the Warner Plaza Urban Renewal designation.

2. The 40th and Mill Street Tract: This tract was designated by the City Council in August of 1986. For the most part, the conditions existing on the site remain unchanged from the time the tract was designated as an urban renewal area. The Blight Study which served as the basis for the urban renewal designation is attached hereto as Exhibit D.

B. EXISTING BLIGHTING CONDITIONS
1. **The Linwood Corridor Tract:** Though much of the Linwood Corridor Tract was previously found to be blighted as part of the LCRA and TIF designation process, a portion of the Linwood Corridor Tract lies outside of the previously designated areas. An exterior building survey was undertaken by EDC staff in December 1992 to assess the current building conditions in that portion not yet found to be blighted and reassess those portions previously found blighted. As a result of the survey, approximately 11% of the structures were rated as being in good condition, 30% in fair and 59% in less than fair or in poor physical condition. Structures were deemed to be in good condition if they appeared to require only minimal maintenance. Buildings were considered to be in fair condition if apparent building deficiencies and deterioration could be corrected through such actions as replacing the roof, new siding or new gutters. Those structures found to be in less than fair condition or poor condition were those that had a hole in the wall, signs of serious structural problems or a myriad of significant building deficiencies. For example, it was not uncommon to find a residential structure where the roof was warping; the gutters were pulled away or missing altogether; the chimney was leaning and bricks missing; the porch roof was pulling away from its supports; and facade materials were chipped, cracked, stained or missing.

2. **The 40th and Mill Street Tract:** Existing conditions do not vary significantly from those described in the previous blight study.

C. **UNDERUTILIZATION**

1. **The Linwood Corridor Tract:** Approximately 18% of the parcels within this tract are vacant lots. In addition to these vacant lots there are other parcels assessed as commercial or industrial uses which are not actively used. Altogether about 15 to 20% of the area appears to underutilized and the total area amount of underutilized land appears to growing. At the time of the exterior building survey, another structure was being demolished.

2. **The 40th and Mill Street Tract:** Most of the property within the area lies undeveloped awaiting future redevelopment.

IV. **REPORT OF FINDINGS**

A. **FINDING NUMBER 1:** The Midtown Redevelopment Area is a Blighted Area.

The Redevelopment Area meets the criteria for designation as a Blighted Area under the Act. The two tracts were previously found to be blighted under prior LCRA, TIF and 353 designations. Conditions within the area have continued to deteriorate since the time of the previous designations.

B. **FINDING NUMBER 2:** The Redevelopment Area has not been subject to growth and redevelopment by private enterprise.

The Redevelopment Area has not been subject to significant growth or redevelopment. In the case of the two tracts which are the focus of the proposed redevelopment plan for the area, even the benefits (i.e. tax abatement, the use of eminent domain) which were made available under the urban renewal designation, the tax increment financing designation, 353 designation and the availability of a UDAG have not stimulated growth or redevelopment on the two tracts.
C. FINDING NUMBER 3: The Redevelopment Area would not reasonably be anticipated to be developed without the adoption of the Tax Increment Financing Plan.

The Redevelopment Area would not reasonably be anticipated to be developed without the proposed Tax Increment Financing Plan. The proposed Tax Increment Financing Plan has been developed after careful consideration and planning regarding how best to use all those tools (e.g., UDAG, TIF, Section 108) available.
SUPPLEMENT TO THE EXISTING CONDITIONS SURVEY FOR THE MIDTOWN REDEVELOPMENT TAX INCREMENT FINANCING PLAN

PREPARED BY THE TAX INCREMENT FINANCING COMMISSION OF KANSAS CITY, MISSOURI

DECEMBER 14, 1992

PURPOSE:

This supplement to the Existing Conditions survey for the Midtown Redevelopment Plan is intended to provide evidence regarding the surrounding residential neighborhoods. This information is considered to be important in providing a comprehensive picture of the conditions faced by any existing or future redevelopment.

The continued health and welfare of the Linwood Corridor and the 40th and Mill commercial redevelopment and surrounding residential uses are inextricably linked. It is the area residents who will patronize the existing and proposed businesses and it is the businesses that provide the basic goods and services to the neighborhood. Without the preservation of both the residential and commercial components the area will deteriorate, the population will decline and the residents (the customers) will move away taking their purchasing power with them. Without customers and with the physical deterioration that often accompanies population decline, business also leave the area. Left behind are lower income persons, renters and elderly persons who have greater difficulty in maintaining their housing stock. These persons still require those basic retail and commercial services which are leaving. The result is a downward cycle of deterioration and blight.

The following report provides data that shows the downward cycle is in full swing. This report relies on data from the United States Census, the Midtown 2000 Plan (dated October 1986), the most recent Comprehensive Housing Affordability Strategy (CHAS), Mid America Regional Council (MARC) studies and the City Development Department's 1988 City-wide Housing Survey as evidence of deterioration and blight in the Midtown Area.

MIDTOWN AREA:

The Midtown Area is generally located between 25th Street on the north, The Paseo on the east, 47th Street on the south and State Line Road on the west, all within Kansas City, Jackson County Missouri. The subject area contains the Linwood Corridor Tract and 40th and Mill Street Tract, as well as 18 identifiable residential neighborhoods.

EXISTING CONDITIONS:

Population Decline: The area has been losing population steadily since the 1950's. The Midtown 2000 Plan reports that the Midtown Area has lost 52% of its population between 1950 and 1980. Recent census information shows that the population has declined and additional 10.7% between 1980 and 1990.

Low Median Household Income: The residents in the area have a lower median household income compared to the City of Kansas City, Missouri overall. According to a MARC study cited in the Midtown 2000 Plan, the median household income in
Midtown was 65.6% of the City overall. According to 1990 data the Midtown median household income was 72.5% of the City overall.

Elderly Population: The Midtown 2000 Plan reports that the Midtown was home to a greater percentage of elderly than the City over all. The Midtown 2000 Plan states that 18% of Midtown’s population was 65 years or older compared to 12% for the entire City.

Rental Units: A majority of the residents in the Midtown Area occupy rental properties. The Midtown 2000 Plan reports that 78.5% of the housing units were occupied by renters as opposed to 21.7% of the housing units being owner occupied.

Aging Residential Structures: More than two thirds of the residential uses in the Midtown Redevelopment Area are 35 years or older. According to the Midtown 2000 Plan, 62% of the housing units in Midtown were built prior to 1940 and another 25% were built between 1940 and 1959. More recently the 1990 Census shows that 7.4% of the existing housing units in Midtown were built prior to 1949 and another 8.7% between 1950 and 1959.

Deteriorating Housing Conditions: In 1988 the City Development Department conducted a city-wide housing conditions survey. This survey revealed that of the 1,906 structures surveyed in the Midtown Area, only 32.8% were sound condition. The remaining structures required anywhere from minor to major rehabilitation and 12.2% of all the structures were considered to be dilapidated.

The recent CHAS report listed the condition of housing in the Westport Consolidated Strategy Area (CSA), which includes a number of the surrounding residential neighborhoods. The CHAS found that only 31% of the housing units in the Westport CSA were in sound condition. The remaining units require minor or major rehabilitation or were beyond repair. The CHAS report estimates that the average cost for minor housing rehabilitation was approximately $25,000 and the average cost for major housing rehabilitation was approximately $33,000. A total of $339,872,000 would be needed to address all of the 5,300 units requiring minor rehabilitation and all of the 6,284 units requiring major rehabilitation.
EXHIBIT 9

DEVELOPMENT SCHEDULE

Commission Holds Public Hearing  November 10, 1992
City Council Approves Plan  February/March 1993
Project I and II Acquisition  April/May 1993
Commences
Project I and II Construction  Summer 1993
Commences
Project I and II Acquisition  January 1994
Complete
Project I and II Relocation  May 1994
Complete
Project I and II Construction  December 1994
Complete
EXHIBIT 10
RELOCATION ASSISTANCE 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:

(i) 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

(ii) 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

(iii) 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.

(iv) 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)(i) hereof shall be provided with relocation payments based upon one of
the following, at the option of the occupant:

(i) 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

(ii) 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

DESIGN REVIEW PROCESS

All redevelopment proposals for the Tax Increment Finance Commission of Kansas City, Missouri will be subject to design review and approval by the Commission. In addition, all development proposals for new construction, or the rehabilitation of existing structures within designated Tax Increment areas will be subject to the Commission's design review and approval. This review will evaluate the quality and appropriateness of the proposal on the basis of the design objectives stated in the Plan and the special land use and building requirements stated in more detailed and refined Development Objectives and Controls which may be prepared for the site.

This review will be conducted by the Commission. The Commission may engage professional consulting services from time to time to provide technical advice. Required submissions shall be made to the Commission through the Executive Director.

Required submission will occur at three stages in the preparation of redevelopment proposals. Additional informal reviews at the request of either the Redeveloper or the Commission Staff are encouraged. It is the intention of the Commission Staff that once approval has been given of a submission stage, further review will be limited to consideration of a development or refinement of previous approved submission, or to new elements which were not present in previous submissions.

The formal stages of submission follow:

1. SCHEMATIC DESIGN

This review is intended to secure agreement on and approval of the basic design concept prior to extensive work by the Redeveloper's Architect. The Commission does not encourage submission of more than the following, which it feels is sufficient to describe the proposal:

(a) Site plan at any appropriate scale (1" = 100', and 1" = 40' are preferred scales); emphasizing general relationships of proposed and existing buildings, walls and open space, including that mutually defined by buildings on adjacent parcels and across streets. The general location of walks, driveways, parking, service areas, roads, and major landscape features, in addition to the buildings, should be shown. Pedestrian and vehicular flow through the parcel and to adjacent areas shall be shown. Where relevant, site sections showing height relationships with proposed and adjacent buildings shall be provided.
2. DESIGN DEVELOPMENT

This review is intended to secure agreement on and approval of the final design prior to extensive and detailed work on the preliminary working drawings.

(a) Site Plan development of l(a) at 1" = 40' minimum (or as determined after approval of SCHEMATIC DESIGN). Phasing possibilities, if any, shall be shown. Proposed site grading, including typical existing and proposed grades at parcel lines shall be shown. Those areas of the site proposed to be developed "by others" or easements to be provided for others shall be clearly indicated. All dimensions which may become critical from the point of view of zoning shall be indicated. Adjacent buildings, streets and buildings across streets must be indicated.

(b) Site sections at 1" = 40' (minimum) showing vertical relationships in addition to those shown above.

(c) Building plans, elevations, and sections developed from those of l(b).

(d) Time schedule for the following submission.

Upon approval by the Commission of the DESIGN DEVELOPMENT, the following submission is required:
3. **FINAL WORKING DRAWINGS AND SPECIFICATIONS**

This review is intended to secure final agreement on and approval of the contract documents and the complete proposal.

(a) Complete site plans for the final parcel development to working drawing level of detail. These drawings, upon approval, will serve as a basic coordination drawing indicating scope of work and responsibilities to be performed by others.

(b) Complete working drawings and specifications ready for bidding.

(c) Statement of proposal, indicating differences, if any, from 1(d).

(d) Time schedule for construction of this project.

(e) Detailed financial plan, including costs, rents and operation.

Once **FINAL WORKING DRAWINGS AND SPECIFICATIONS** have been approved and construction started, the only items subject to an additional review will be requests for change orders in the construction. The Redeveloper is strictly required to construct the project in accordance with all details of the approved drawings. Permission to make changes from such approved drawings must be requested by the Redeveloper in writing to the Director of Planning, who, in turn, will reply in writing, giving his approval or disapproval of the changes. No changes in the work are to be undertaken until such approval has been obtained.
EXHIBIT 13. DEFINITIONS

As used in this Plan, the following terms shall mean:

A. "Blighted area," an area which, by reason of the predominance of defective or inadequate street layout, insanitary 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;

B. "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;

C. "Economic Activity Taxes," fifty percent (50%) of the total additional revenue from taxes which are imposed by the municipality or other taxing districts, which are generated by economic activities within the Redevelopment Project Area, while tax increment financing remains in effect, excluding licenses, fees or special assessments, other than payments in lieu of taxes, until the designation is terminated pursuant to subsection 2 of Section 99.850 of the Act;

D. "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 A and B of this section, and in which the governing body of the municipality finds that redevelopment is in the public interest because it will:

1. Discourage commerce, industry or manufacturing from moving their operations to another state; or

2. Result in increased employment in the municipality; or

3. Result in preservation or enhancement of the tax base of the municipality.

E. "Municipality," a city, village, or incorporated town or any county of this state;

F. "Obligations," bonds, loans, debentures, notes, special certificates, or other evidences of indebtedness issued by a municipality or the Commission to carry out a redevelopment project or issued by a municipality to refund outstanding obligations;

G. "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;

H. "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 public purpose, 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 area selected for the redevelopment project exceeds the total initial equalized value of real property in such area until the designation is terminated pursuant to the Act. 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;

I. "Redevelopment Area," an area designated by a municipality, in respect to which the municipality has made a finding that there exist conditions which cause the area to be classified as a blighted area, a conservation area, economic development area, or a combination thereof.

J. "Redevelopment plan," the comprehensive program of a municipality for redevelopment intended by the payment of redevelopment costs to reduce or eliminate those conditions, the existence of which qualified the Redevelopment Area as a blighted area, conservation area, economic development area, or combination thereof, and to thereby enhance the tax bases of the taxing districts which extend into the Redevelopment Area;

K. "Redevelopment Project," any development project within a redevelopment area in furtherance of the objectives of the redevelopment plan, any such redevelopment project shall include a legal description of the area selected for the redevelopment project.

L. "Redevelopment Project Area," the area selected for a specific redevelopment project;

M. "Redevelopment Project Costs" include the sum total of all reasonable or necessary costs incurred or estimated to be incurred, and any such costs incidental to a redevelopment plan or redevelopment project, as applicable. 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;

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, or repair or remodeling of existing buildings and fixtures;

5. Initial costs for an economic development area;
6. Cost of construction of public works or improvements;

7. 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;

8. All or a portion of a taxing district's capital costs resulting from the redevelopment project necessarily incurred or to be incurred in furtherance of the objectives of the redevelopment plan and project to the extent the municipality by written agreement accepts and approves such costs;

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

10. Payments in lieu of taxes;

N. "Taxing districts," any political subdivision of this state having the power to levy taxes;

O. "Taxing districts' capital costs," those costs of taxing districts for capital improvements that are found by the municipal governing bodies to be necessary and to directly result from the redevelopment project; and

P. "Vacant land," any parcel or combination of parcels of real property not used for industrial, commercial, or residential buildings.

Q. "Special Allocation Fund," a fund created pursuant to statute into which payments in lieu of taxes and economic activity taxes are deposited and out of which Redevelopment Project Costs are reimbursed.