THE THREE TRAILS DISTRICT

TAX INCREMENT FINANCING PLAN

KANSAS CITY, MISSOURI

January 14, 2002

CERTIFICATION:

We hereby certify that this is a true and correct copy of the Plan approved by the Tax Increment Financing Commission of Kansas City, MO, on January 16, 200 2

Chairman

Date

Laura Whitener

Assistant Director

1/23/02

Date

KC-898516-5

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EXHIBITS

I. DEFINITIONS

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

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. "City," the City of Kansas City, Missouri.

C. "Commission," the Tax Increment Financing Commission of Kansas City, Missouri.

D. "Economic Activity Taxes," the total additional revenue from taxes which are imposed by a municipality and other taxing districts, and which are generated by economic activities within a redevelopment area over the amount of such taxes generated by economic activities within such redevelopment area in the calendar year prior to the adoption of the ordinance designating such a redevelopment area, while tax increment financing remains in effect, but excluding personal property taxes, taxes imposed on sales or charges for sleeping rooms paid by transient guests of hotels and motels, licenses, fees or special assessments. For redevelopment projects or redevelopment plans approved after December 23, 1997, if a retail establishment relocates within one year from one facility to another facility within the same county and the governing body of the municipality finds that the relocation is a direct beneficiary of tax increment financing, then for purposes of this definition the economic activity taxes generated by the retail establishment shall equal the total additional revenues from economic activity taxes which are imposed by a municipality or other taxing district over the amount of economic activity taxes generated by the retail establishment in the calendar year prior to its relocation to the redevelopment area.

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

F. "Obligations," bonds, loans, debentures, notes, special certificates, or other evidences of indebtedness issued by a municipality to carry out a redevelopment project or to fund 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 private use, which taxing districts would have received had a Municipality not adopted tax increment allocation financing, and which would result from levies made after the time of the adoption of tax increment allocation financing during the time the current equalized value of real property in the project area exceeds the total initial equalized value of real property in such area until the designation is terminated pursuant to subsection 2 of Section 99.850. Payments in lieu of taxes which are due and owing shall constitute a lien against the real estate of the Redevelopment Project from which they are derived, the lien of which may be foreclosed in the same manner as a special assessment lien as provided in Section 88.861 R.S.Mo.

I. “Project Improvements,” those development activities undertaken within the Redevelopment Area intended to accomplish the objectives of the Redevelopment Plan.

J. “Redeveloper,” the business organization or other entity selected by the Commission to implement the Redevelopment Plan.

K. “Redevelopment Agreement,” the agreement between the City of Kansas City, Missouri, the Tax Increment Financing Commission and Redeveloper for the implementation of the Redevelopment Plan.

L. “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, an economic development area, or a combination thereof, and which includes only those parcels of real property directly and substantially benefited by the proposed Redevelopment Project.

M. “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 Project 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.

N. “Redevelopment Project,” any development project within a Redevelopment Area in furtherance of the objectives of the Redevelopment Plan.

O. “Redevelopment Project Area,” the area selected for a specific redevelopment project.

P. “Redevelopment Project Costs” include the sum total of all reasonable or necessary costs incurred or estimated to be incurred, any such costs incidental to a

Redevelopment Plan and a Redevelopment Project. Such costs include, but are not limited to the following:

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

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

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

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

5. Cost of construction of public works or improvements;

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

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

8. 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;

9. Payments in lieu of taxes.

Q. "Special Allocation Fund," the fund of a municipality or its commission which contains at least two separate segregated accounts for each redevelopment plan, maintained by the treasurer of the municipality or the treasurer of the commission into which payments in lieu of taxes and other revenues are deposited in the other account.

R. "Tax Increment Financing," tax increment allocation financing as provided pursuant to Chapter 99.800, et seq. RSMo.

S. "Taxing Districts," any political subdivision of Missouri having the power to levy taxes.

II. 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 (the "Act"). The Act enables municipalities to finance Redevelopment Project Costs with the revenue generated from Payments in Lieu of Taxes and Economic Activity Taxes. This Redevelopment Plan shall be filed of record against all real property in the approved Redevelopment Project Area.

III. GENERAL DESCRIPTION OF PLAN AND PROJECT.

A. The Redevelopment Plan. The Three Trails District Tax Increment Financing Redevelopment Plan (the "Redevelopment Plan") proposes to transform the present Bannister Mall into the Three Trails Town Center and to assist in the revitalization of the regional retail center. This Redevelopment Plan will provide for the renovation of the Three Trail Town Center, including the rehabilitation of existing structures and the construction of water features, as well as providing for the future redevelopment of commercial uses within the Redevelopment Area.

B. Redevelopment Area. The Redevelopment Plan Area is generally bound by the 87th Street on the north, Hillcrest Drive on the east, the northern edge of the Bannister Business Center and Bannister Road on the south, and Interstate 435 on the west in Kansas City, Jackson County, Missouri (the "City") as legally described in Exhibit 1 (the "Redevelopment Area").

C. Project Improvements. The Project Improvements will consist of demolition of the existing mall between the current J.C. Penney site and the current Jones Store site to provide for construction of a lake/water feature of approximately 1.5 acres. Bass Pro Outdoor World will locate in the former Jones Store site and balance of the retail center will be renovated. The Plan also envisions future redevelopment of other retail structures located within the Redevelopment Area. Any additional Projects will require the Plan to be amended.

D. Redevelopment Projects. The Project Improvements and other redevelopment activities will be undertaken as a series of redevelopment projects (the "Redevelopment Projects"), each of which will be approved by ordinance in conformance with the Act. The Redevelopment Area is described in Exhibit 1A. The Redevelopment Project Area provided for in this Plan is described in Exhibit 1B. Construction and employment information for the Redevelopment Project is set forth in Exhibit 4.

E. Estimated Date of Completion. It is anticipated that demolition of the existing mall building would begin in 2002 followed by continuous construction in phases. In no event shall any ordinance approving a Redevelopment Project be adopted later than ten (10) years from the adoption of the ordinance approving this Redevelopment Plan.

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

1. To restore, renovate the Three Trails Town Center;

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

3. To enhance the tax base of the City and the other Taxing Districts, encourage private investment in the surrounding area, and increase employment opportunities in the Redevelopment Area;

4. To increase employment opportunities in the City as a whole;

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

IV. FINANCING

A. Estimated Redevelopment Project Costs. Redevelopment Project Costs are estimated to be approximately $83 million, of which $81.5 million would be used to assist the redevelopment of Three Trails Town Center and $1.5 million to be used for street and streetscape amenities. The Plan proposes that approximately $33 million in Redevelopment Project Costs be reimbursable from the Special Allocation Fund. The reimbursable Project Costs include those shown in Exhibit 5.

The Commission has determined that certain planning and special services expenses of the Commission which are not direct Redevelopment Project costs are nonetheless reasonable and necessary for the operation of the Commission and are incidental costs to the Redevelopment 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 Payments in Lieu of Taxes and Economic Activity Taxes paid annually into the fund.

B. Anticipated Sources of Funds. Anticipated sources and amounts of funds to pay Redevelopment Project Costs and amount to be available from those sources are shown on Exhibit 7. The expected sources of funds to be used 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 acquired by the Commission and sold or leased to a selected Developer, land disposition or lease proceeds will be utilized by the Commission for payment of Reimbursable Project Costs.

C. Payments in Lieu of Taxes. Calculations of expected proceeds of Payments in Lieu of Taxes are based on current real property assessment formulas and current and anticipated property tax rates, both of which are subject to change due to many factors, including reassessment, the effects of real property classification for real property tax purposes, and the rollback in tax levies resulting from reassessment or classification. Furthermore it is assumed that the assessed valuation of real property will increase at a rate of 1% every other year, with no levy increases. The estimated total Payments in Lieu of Taxes generated by The Three Trails Center Redevelopment Project over the duration of the Plan is $29,699,800 as shown in detail on Exhibit 6.

It is anticipated that all of the available Payments in Lieu of Taxes will be used to reimburse the Redeveloper for eligible Redevelopment Project Costs. However, any Payments in Lieu of Taxes that exceed the amount necessary for such reimbursement shall be declared surplus and be available for distribution to the various Taxing Districts in the Redevelopment Area in the manner provided by the Act.

D. Economic Activity Taxes. Over the life of the Plan, the total Economic Activity Tax revenues are estimated to be approximately $98,709,200. 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 $49,354,600 over the life of the Plan, 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 __% 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, if any, may be declared as surplus by the Commission. The declared surplus will be available for distribution to the various taxing districts in the Redevelopment Area in the manner provided by the Act.

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

E. Anticipated Type and Terms of Obligations. In the event Obligations are issued, they must have a first call on the PILOTS and Economic Activity Taxes revenue stream. Additionally, it is estimated that available project revenues must equal 125 - 175% of the annual debt service payments required for the retirement of the Obligations. Revenues received in excess of 100% of funds necessary for the payment of principal and interest on the Obligations may be used for reserves, reimbursable project costs or to call Obligations in advance of their maturities or declared surplus. Obligations may be sold in one or more series in order to implement this Plan. All Obligations shall be retired no later than 23 years after the adoption of the ordinance adopting tax increment financing for the redevelopment project, or projects which support such Obligations, the costs of which are to be paid from the proceeds thereof. No redevelopment project may be approved by ordinance adopted more than ten years from the adoption of the ordinance approving the redevelopment plan under which the project is authorized.

F. Community Improvement District. In furtherance of the objectives of this TIF Plan, it is anticipated that the Commission shall enter into one or more agreements (the "CID Cooperative Agreement") with a community improvement district (a "CID") formed under the Community Improvement District Act, Sections 67.1401 to 67.1571 of the Revised Statutes of Missouri (the "CID Act"), which CID has its boundaries wholly or partially within the Redevelopment Area and the CID's stated purpose includes the advocating and providing of assistance to attract further investment within an area wholly or partially within the Redevelopment Area (the "CID Purposes"). It is acknowledged that the CID Purposes are in furtherance of the objectives of this TIF Plan. Pursuant to the Cooperative Agreement the Commission and the CID will coordinate efforts to accomplish the CID Purposes and the Commission will incur such professional service and other costs (the "Commission CID Costs") necessary to meet the CID Purposes; provided however, the Commission shall not be required to incur Commission CID Costs in excess of the amount of EATs collected by the Commission as a result of any sales tax imposed by the CID. Redevelopment Project Costs which are reimbursable from PILOTs and EATs under this TIF Plan shall include Commission CID Costs.

G. Evidence of Commitments to Finance Commitments for any private financing of Redevelopment Project Costs necessary to complete Project Improvements for all Projects shall be submitted for approval prior to the approval of any ordinance. Letters of interest from private mortgage financing sources are attached as Exhibit 14.

V. MOST RECENT EQUALIZED ASSESSED VALUATION

The total initial equalized assessed valuation of the Redevelopment Area according to current records at the Jackson County Assessor's Office is approximately $27,850,000 (land only assessed valuation is approximately $6,053,000). The current combined ad valorem property tax levy is projected to be $8.69 (including 1989 M & M replacement taxes) per $100 assessed valuation on land and $9.44 (including 1989 M & M replacement taxes) per $100 assessed valuation on improvements. The annual ad valorem tax revenue from the Redevelopment Area was approximately $2,583,600 in 2000.

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

VI. ESTIMATED EQUALIZED ASSESSED VALUATION AFTER REDEVELOPMENT

When the Project Improvements have been completed, the total assessed valuation of the Redevelopment Area will be determined. The estimated increase in assessed valuation and the resulting Payments in Lieu of Taxes are shown in Exhibit 6. When complete and the Redevelopment Plan is terminated, the Redevelopment Area will annually initially yield the estimated real property taxes as indicated in Exhibit 6.

VII. GENERAL LAND USE

The property within the Redevelopment Area will be devoted to use as a regional retail center. The Redevelopment Project shall be subject to the applicable provisions of the City's Zoning Ordinance as well as other codes and ordinances as may be amended from time to time.

VIII. CONFORMANCE TO THE COMPREHENSIVE PLAN

The proposed Plan is generally consistent with the City's Comprehensive Plan, more specifically, the Blue Ridge Corridor Plan as approved by the City Council on October 25, 1990 by Resolution 900404. The Blue Ridge Corridor Plan shows the land use to be regional retail center. The Plan is also consistent with the City's FOCUS Plan.

IX. EXISTING CONDITIONS IN THE REDEVELOPMENT AREA.

The Redevelopment Area qualifies as a blighted area. The Redevelopment Area currently experiences a 44% vacancy rate. The assessed value in the area has been on a steady decline. Pictures contained in Exhibit 10 show evidence of litter and dumping, as well as physical deterioration of buildings and parking lots. Analysis of the Shopping center indicates significant obsolescence and evaluation of the former Montgomery Wards Building indicates some structural problems.

X. "BUT FOR TIF"

Acceptable returns to real estate investors depend on a large number of external factors and the nature of the specific investment, including, the property sector or land use; the life cycle of the property; local market conditions such as new development, major employers and their plans, demographics and the like; the overall risk associated with the property; inflation expectations, and numerous other factors. In today's market, especially when compared to the returns available to investors in alternative investments, an investment in a major regional retail center would require internal rates of return in the range of 15%.

Without bond financing supported by the recapture of the tax-increment revenues, the proposed redevelopment does not meet the required rate-of-return standard. The return without any TIF is approximately –27%. A negative rate of return shows that the "investment" would lose a substantial amount of money for the developer (in reality such an investment would never be made). The return rises to approximately 9.6% when developer costs are funded with the bond financing paid from the revenues generated through Statutory TIF as reflected in the pro forma appearing as part of Exhibit 9, thereby putting the rate of return on the low end of the range of realistic market expectations. In other words, but for the Statutory TIF contribution the Redevelopment Project would not be attractive to investors or developers with the ability to successfully carry out the project.

______________ has submitted his Affidavit to the effect that the Three Trails Center Project exhibits conditions of blight and that development by private enterprise will not occur without the adoption of the Redevelopment Plan.

XI. COST-BENEFIT ANALYSIS

A cost-benefit analysis has been prepared for the Redevelopment Area. This analysis describes (1) impact on the economy of each taxing district if the Plan and projects are not built; (2) impact on the economy of each taxing district if the Plan and projects are built; (3) fiscal impact study on every affected political subdivision; and (4) sufficient information to determine whether the projects as proposed are financially feasible. The cost-benefit analysis is attached as Exhibit 8.

XII. ACQUISITION AND DISPOSITION

It is not anticipated that any property will be acquired in order to achieve the redevelopment objectives of this Plan. In the event that it is necessary to acquire property to the achieve the redevelopment objectives, the Commission may acquire property by purchase, donation, lease or eminent domain in the manner provided for by corporations in Chapter 523, RSMo. The property acquired by the Commission may be cleared, and either (1) sold or leased for private redevelopment or (2) sold, leased, or dedicated for construction of public improvements or facilities. No property for a redevelopment project shall be acquired by eminent domain later than five (5) years from adoption of the ordinance approving the project.

XIII. RELOCATION ASSISTANCE PLAN

Because no displacement of persons or businesses will be required to complete the Redevelopment Plan, no relocation assistance plan is needed. Should relocation be necessary, relocation assistance will be available to all eligible displaced occupants in conformance with the Commission's Relocation Assistance Plan or as may be required by other state or federal laws. Any relocation will be at the expense o the Redeveloper.

XIV. 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. without Commission approval. Said designation shall not relieve the assessor or other responsible official from ascertaining the amount of equalized assessed valuation of all taxable property annually as required by Section 99.855, R.S.Mo.

XV. PROVISION OF PUBLIC FACILITIES

Redeveloper will provide and maintain all necessary public facilities and utilities to service the Redevelopment Area.

XVI. REDEVELOPMENT AGREEMENT

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

1. implementation of the Plan;
2. reporting of Economic Activity Taxes;
3. the Commission's Affirmative Action Policy;
4. a design guideline review and approval process;
5. the Commission's Relocation Plan, if any;
6. approval by Commission of the costs, design of the Project Improvements, Redevelopment Project Costs, certified reimbursable Redevelopment Project Costs; and
7. public participation in excess return.

EXHIBIT 1

LEGAL DESCRIPTIONS

EXHIBIT 1A

REDEVELOPMENT AREA

The Redevelopment Area is described as follows:

Commencing at the intersection of the center line of Interstate Highway Route No. 435, as it now exists, and the center line of Bannister Road, as it now exists; thence northeasterly along the center line of Interstate Highway Route No. 435 to its intersection with the center line of 87th Street, as it now exists; thence east along the center line of 87th Street to the easterly right-of-way line of Hillcrest Road, as it now exists; thence southerly along the easterly right-of-way line of Hillcrest Road to the center line of Bannister Road; thence west along the center line of Bannister Road to the center line of Marion Park Drive, as it now exists; thence south along the center line of Marion Park Drive a distance of 700 feet, more or less to the intersection with the easterly line of Tract "A", BANNISTER 435 RESURVEY; thence west along said line a distance of 301.50 feet, more or less; thence South 2 degrees, 11 minutes, 58 seconds East a distance of 180.00 feet; thence North 86 degrees, 48 minutes, 35 seconds West a distance of 439.83 feet; thence North 61 degrees, 20 minutes, 03 seconds West a distance of 166.24 feet; thence North 33 degrees, 14 minutes, 19 seconds East a distance of 264.25 feet; thence North 25 degrees, 00 minutes, 24 seconds East a distance 200.36 feet; thence North 18 degrees, 00 minutes, 25 seconds East a distance of 219.39 feet; thence northerly to the center line of Bannister Road; thence westerly to the center line of Interstate Highway Route No. 435, said point being the Point of Beginning, all included in and a part of the City of Kansas City, Jackson County, Missouri.

EXHIBIT 1B

REDEVELOPMENT PROJECT

THREE TRAILS CENTER

Owner: 485 Properties, LLC

Tracts I, VI, VIII, IX, REPLAT OF BANNISTER MALL, TRACTS I THRU X INCLUSIVE, a subdivision in Kansas City, Missouri, according to the recorded plat thereof recorded in the office of the Recorder of Deeds for Jackson County, Missouri, at Kansas City, on January 10, 1991, as Document No. K-954752.

Owner: Sears, Roebuck and Company, a New York Corporation

Tract II, REPLAT OF BANNISTER MALL, TRACTS I THRU X INCLUSIVE, a subdivision in Kansas City, Missouri, according to the recorded plat thereof recorded in the office of the Recorder of Deeds for Jackson County, Missouri, at Kansas City, on January 10, 1991, as Document No. K-954752.

Owner: The May Department Stores Company, Inc.

Tract III, REPLAT OF BANNISTER MALL, TRACTS I THRU X INCLUSIVE, a subdivision in Kansas City, Missouri, according to the recorded plat thereof recorded in the office of the Recorder of Deeds for Jackson County, Missouri, at Kansas City, on January 10, 1991, as Document No. K-954752.

Owner: J.C. Penney Properties, Inc.

Tract IV, REPLAT OF BANNISTER MALL, TRACTS I THRU X INCLUSIVE, a subdivision in Kansas City, Missouri, according to the recorded plat thereof recorded in the office of the Recorder of Deeds for Jackson County, Missouri, at Kansas City, on January 10, 1991, as Document No. K-954752.

Owner: Dillard Department Stores, Inc., a Delaware Corporation

Tract V, REPLAT OF BANNISTER MALL, TRACTS I THRU X INCLUSIVE, a subdivision in Kansas City, Missouri, according to the recorded plat thereof recorded in the office of the Recorder of Deeds for Jackson County, Missouri, at Kansas City, on January 10, 1991, as Document No. K-954752.

Owner: Red Lobster, a division of General Mills Restaurant Group, Inc. a Florida Corporation

Tract VII, REPLAT OF BANNISTER MALL, TRACTS I THRU X INCLUSIVE, a subdivision in Kansas City, Missouri, according to the recorded plat thereof recorded in the office of the Recorder of Deeds for Jackson County, Missouri, at Kansas City, on January 10, 1991, as Document No. K-954752.

EXHIBIT 2

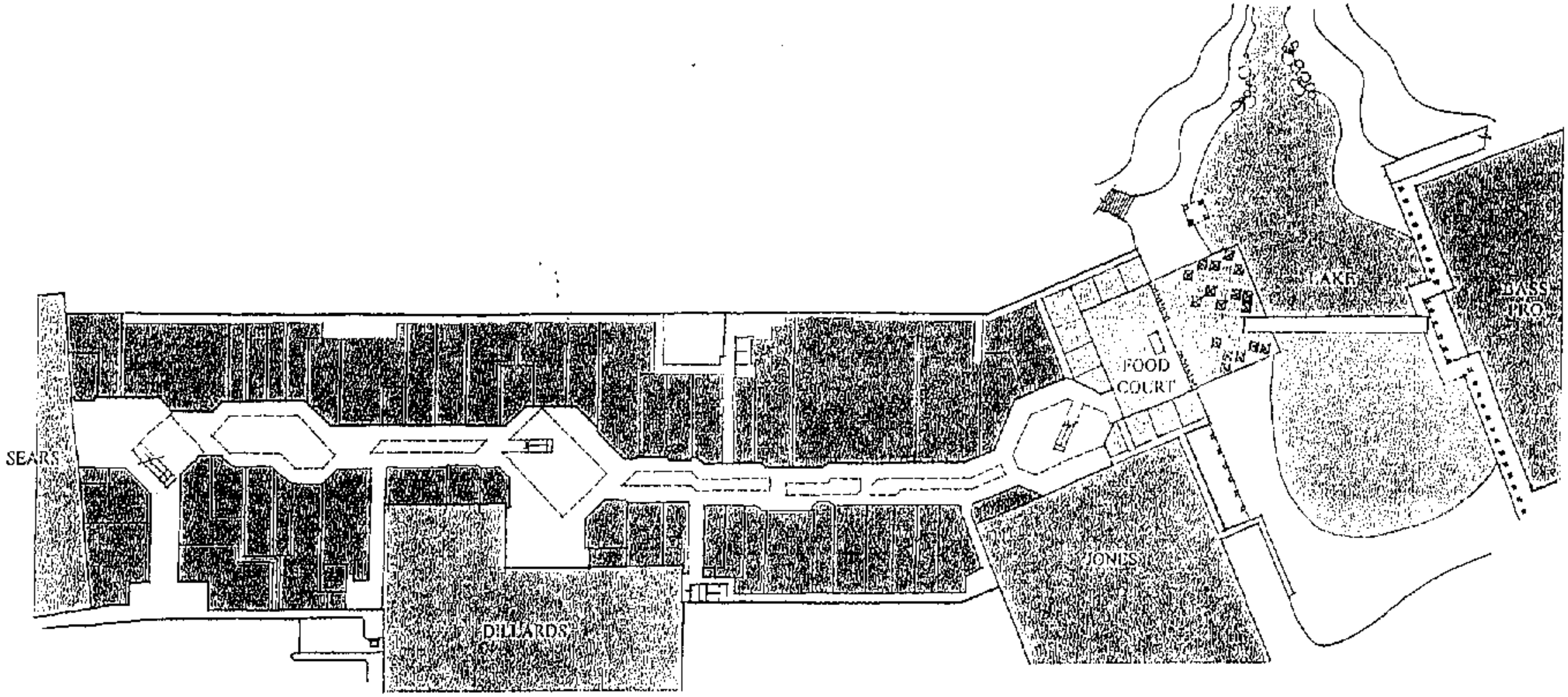
SITE PLAN

Three Trails Center Area

Possible TIF Boundary and Gateway Entrances

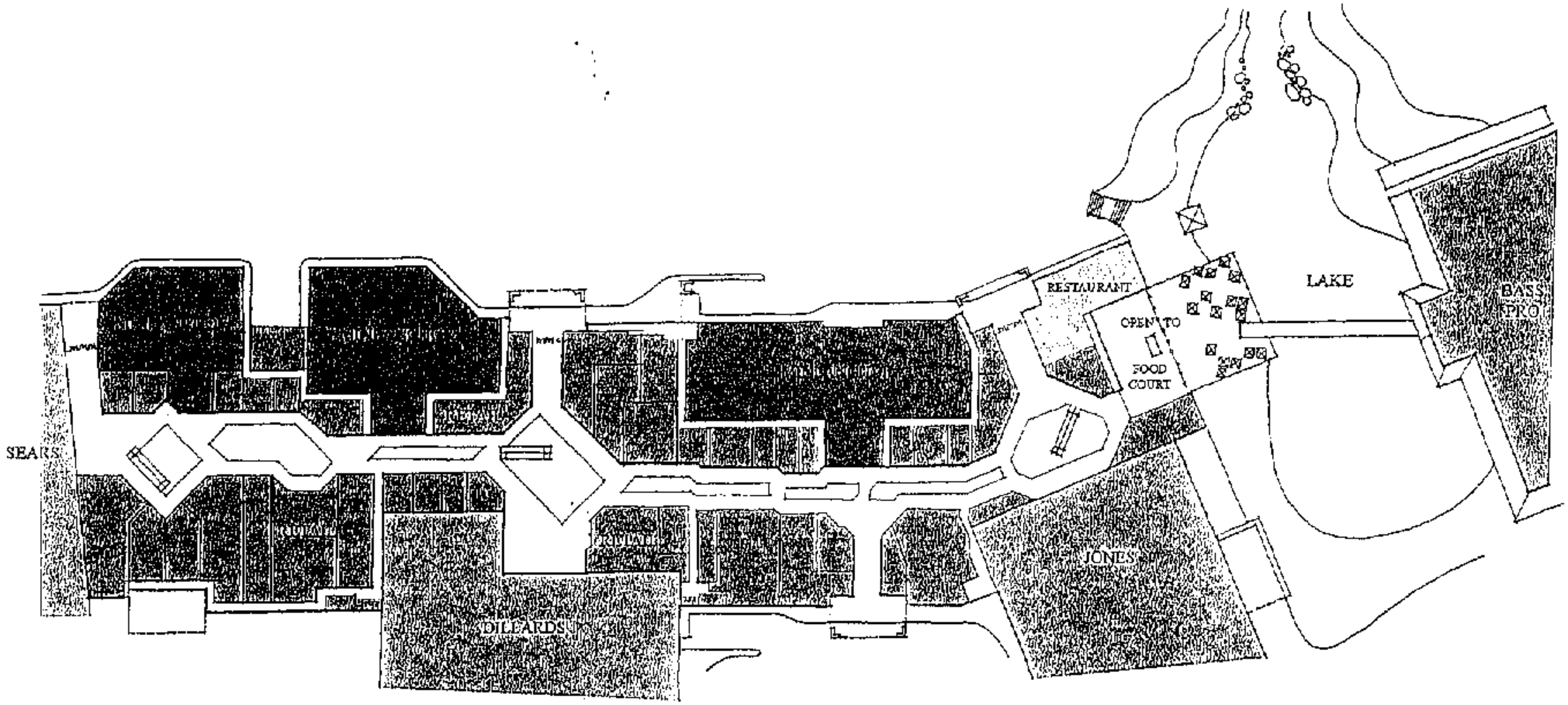
VIEW FROM I-435 FREEWAY

THREE TRAILS MALL
Kansas City, Missouri
October 1, 2001

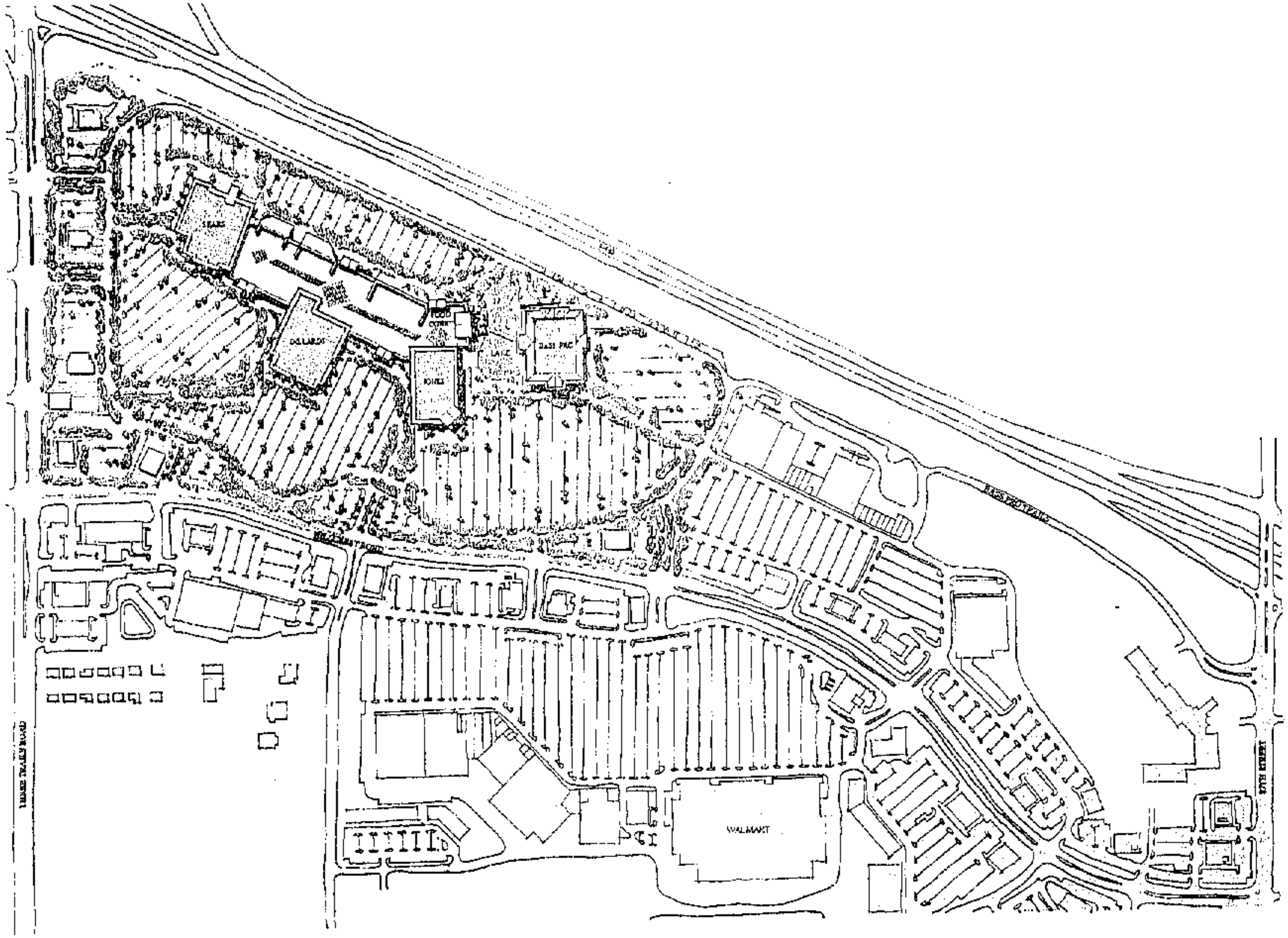


THREE TRAILS MALL
Kansas City, Missouri
October 1, 2001

PLAN LEVEL ONE

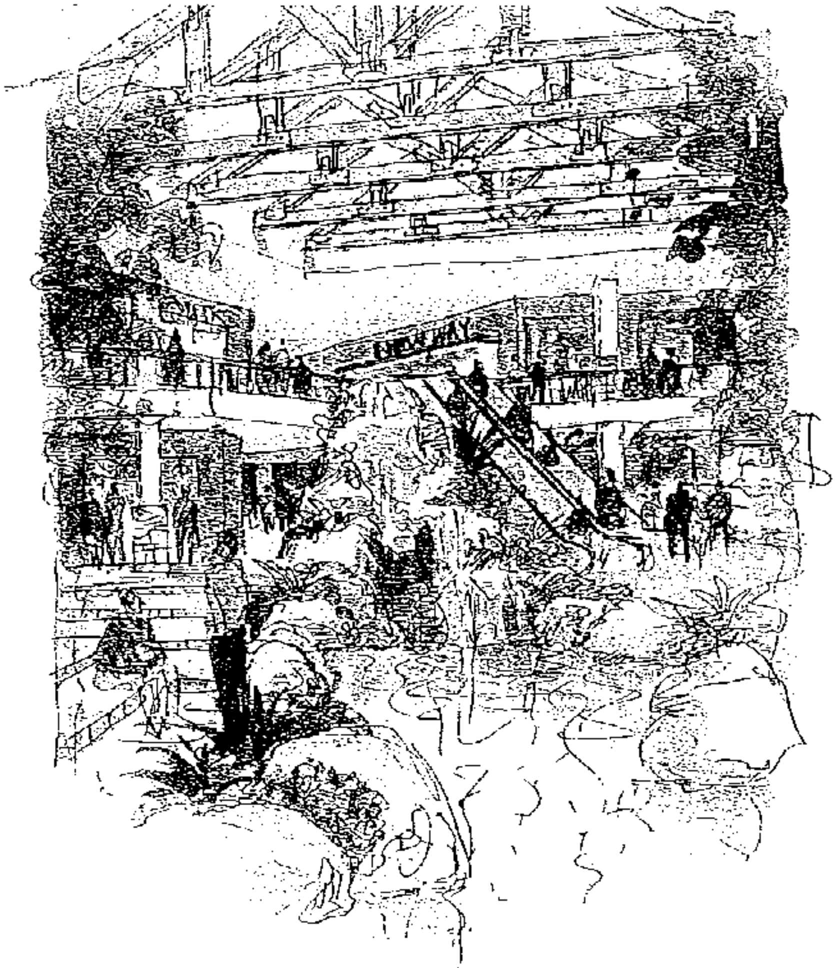


THREE TRAILS MALL
Kansas City, Missouri
October 1, 2001



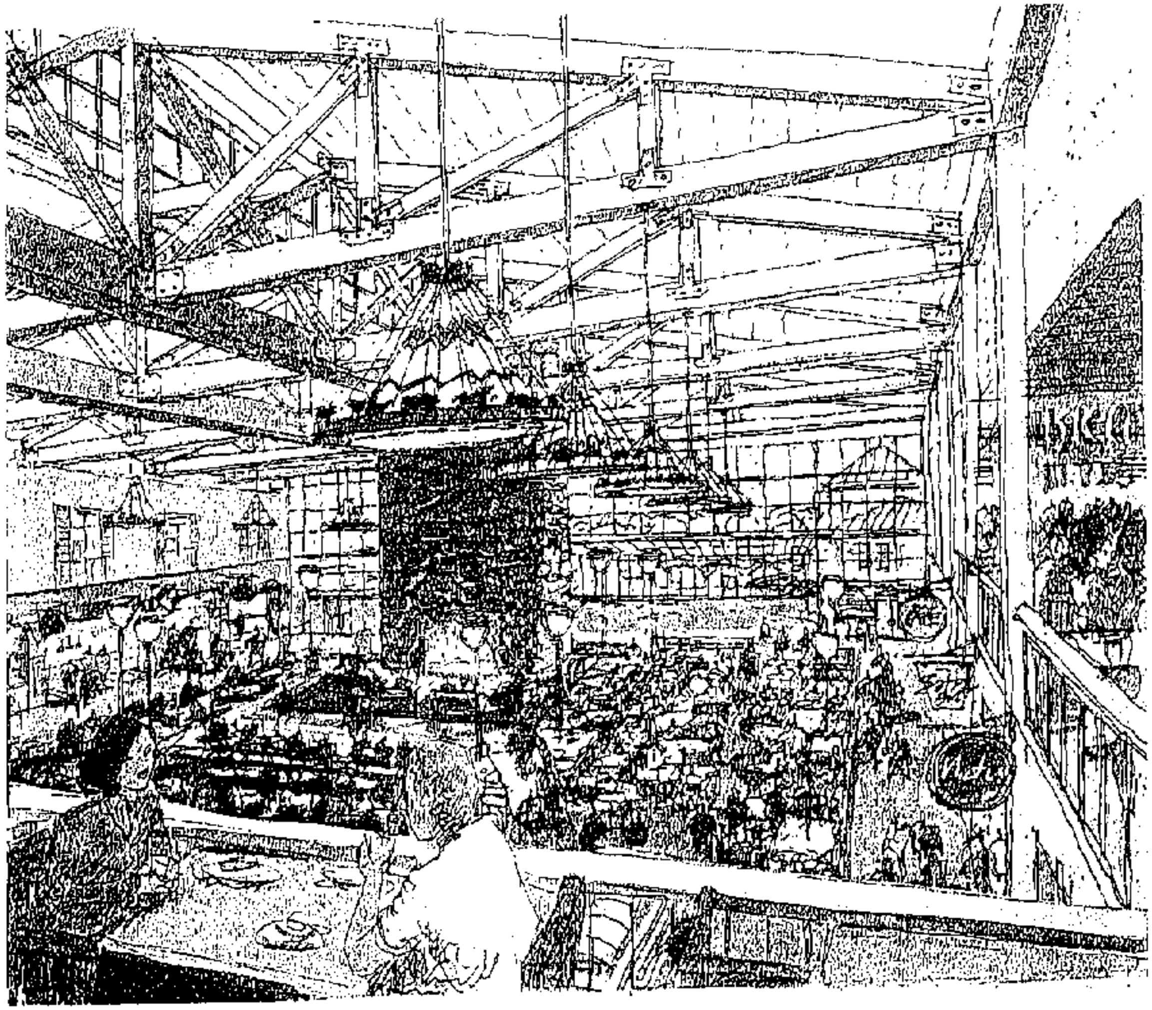
THREE TRAILS MALL
Kansas City, Missouri
October 1, 2001

SITE PLAN



THREE TRAILS MALL
Kansas City, Missouri
October 1, 2001

VIEW OF DILLARDS COURT



THREE TRAILS MALL
Kansas City, Missouri
October 1, 2001

VIEW INTO FOOD COURT

EXHIBIT 3

SPECIFIC OBJECTIVES

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 74,000 square feet of retail space; renovate 909,408 square feet; and demolish 99,000 square feet.

3. To attract Bass Pro and other upscale retailers while revitalizing the existing retail within and adjacent to the Redevelopment Area.

4. To install those amenities and landscaping features which will help to further the identity of the Three Trails Center and acknowledge the historic nature of the three trails (California Trail, Oregon Trail, Santa Fe) running through the area.

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

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

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

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

9. 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.

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

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

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

EXHIBIT 4

CONSTRUCTION AND EMPLOYMENT INFORMATION

A. CONSTRUCTION TOTALS BY PROJECT AREA*

Three Trails Center Project

Square feet of OFFICE Space	NEW CONSTRUCTION	Existing Structures to REMAIN AS IS	Existing Structures to be REHABBED	Total	Existing Structures to be DEMOLISHED
Square feet of RETAIL Space	74,000	34,417	909,408	1,017,825	99,000
Square feet of INSTITUTIONAL Space					
Square feet of INDUSTRIAL Space					
Total Square Feet					
Number of DWELLING UNITS					
Number of HOTEL ROOMS					
Number of PARKING SPACES					

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

Current size (square feet):		After Redevelopment Plan is implemented:
Dillards	173,326	no change
Jones Store	153,885	approx. 160,000 gross (will be Bass Pro)
JC Penney	134,633	no significant change (will be Jones Store)
Sears	156,564	no change
Small Shop GLA	388,201	289,000
Bennigans	6,971	no change
McDonalds	6,015	no change
Red Lobster	8,512	no change
Savings of America	6,419	no change
Blockbuster	6,500	no change

Three (3) new mini anchors	----	approx 68,000

B. EMPLOYMENT TOTALS BY PROJECT AREA

Three Trails Center Project

Permanent jobs to be CREATED IN Kansas City	380
Permanent jobs to be RELOCATED TO Kansas City	
Permanent jobs to be RETAINED IN Kansas City	1,720
TOTAL	2,100
Anticipated Annual Payroll	$46,200,000
Estimated number of construction workers to be hired during construction phase	555

EXHIBIT 5

ESTIMATED REDEVELOPMENT COSTS AND SCHEDULE

EXHIBIT 5
ESTIMATED REDEVELOPMENT COSTS AND SCHEDULE

		TOTAL AMOUNT		REIMBURSABLE EXPENSES
COMMISSION EXPENSES*				
1. Estimated Reimbursable Costs for Plan Implementation				
A. Legal	$	50,000	$	50,000
B. Agenda		2,000		2,000
C. Staff Time		40,000		40,000
D. Miscellaneous		4,000		4,000
2. Plan Administration Expenses		200,000		200,000
Subtotal Commission Expenses & Fees	$	296,000	$	296,000
REDEVELOPMENT EXPENSES				
Property Acquisition, Lake and Amenities	$	3,500,000		
Construction and Tenant Improvement Allowances	$	56,100,000		
Development Soft Costs	$	18,250,000		
Contingency	$	3,650,000		
Subtotal of Redevelopment Expenses	$	81,500,000	$	31,500,000
PUBLIC AMENITIES	$	1,500,000	$	1,500,000
TOTAL ESTIMATED COSTS	**$**	**83,296,000**	**$**	**33,296,000**

ESTIMATED REDEVELOPMENT PROJECT COSTS -- NOTES

Detailed redeveloper costs are attached hereto.

In addition the Commission has determined that certain 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 Economic Activity Taxes paid annually into the fund. This amount will be figured prior to allocation of any other reimbursable costs.

The selected redeveloper 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 redeveloper shall be billed for these expenses by the Commission as needed. These expenses shall be considered reimbursable project costs to the redeveloper from the Special Allocation Fund.

REDEVELOPMENT SCHEDULE FOR EXPENDITURES

	Total Development Costs	2002	2003
Property Acquisition, Lake and Amenities	$ 3,500,000	$ 2,900,000	$ 600,000
Construction and Tenant Improvement Allowances	$ 56,100,000	$ 40,370,000	$ 15,730,000
Development Soft Costs	$ 18,250,000	$ 13,525,000	$ 4,725,000
Contingency	$ 3,650,000	$ 2,705,000	$ 945,000
Subtotal of Redevelopment Expenses	$ 81,500,000	$ 59,500,000	$ 22,000,000

EXHIBIT 6

ESTIMATED ANNUAL INCREASES IN ASSESSED VALUE
AND
RESULTING PAYMENTS IN LIEU OF TAXES
AND
PROJECTED ECONOMIC ACTIVITY TAXES

BANNISTER MALL TAX INCREMENT REVENUE PROJECTIONS

Kansas City, Missouri

	KANSAS CITY LOCAL TIF POTENTIAL					MISSOURI TIF POTENTIAL	LOCAL PLUS STATE
Year	Sales	Property	Earnings	Utilities	Total	Sales	TOTAL
2002	-	-	- $	- $	-	1	$ 1
2003	888,900	-	-	-	888,900	1,066,850	1,955,750
2004	1,031,400	1,007,500	55,500	20,100	2,114,500	1,237,350	3,351,850
2005	1,119,900	1,007,500	62,800	22,800	2,213,000	1,343,350	3,556,350
2006	1,210,900	1,083,500	71,200	25,500	2,391,100	1,452,850	3,843,950
2007	1,304,900	1,083,500	78,600	28,300	2,495,300	1,565,850	4,061,150
2008	1,401,400	1,162,500	87,000	31,200	2,682,100	1,681,850	4,363,950
2009	1,501,400	1,162,500	95,400	34,100	2,793,400	1,801,350	4,594,750
2010	1,603,400	1,244,700	103,800	37,200	2,989,100	1,924,350	4,913,450
2011	1,709,900	1,244,700	112,200	40,300	3,107,100	2,051,350	5,158,450
2012	1,818,400	1,330,300	121,600	43,600	3,313,900	2,182,350	5,496,250
2013	1,930,400	1,330,300	131,100	46,900	3,438,700	2,316,850	5,755,550
2014	2,046,400	1,419,300	140,500	50,400	3,656,600	2,455,350	6,111,950
2015	2,164,900	1,419,300	150,000	53,900	3,788,100	2,597,850	6,385,950
2016	2,287,900	1,511,900	160,500	57,500	4,017,800	2,745,350	6,763,150
2017	2,413,900	1,511,900	171,000	61,300	4,158,100	2,896,850	7,054,950
2018	2,543,900	1,608,300	181,500	65,200	4,398,900	3,052,850	7,451,750
2019	2,677,900	1,608,300	193,000	69,200	4,548,400	3,213,350	7,761,750
2020	2,815,900	1,708,500	204,600	73,300	4,802,300	3,378,850	8,181,150
2021	2,957,900	1,708,500	216,100	77,500	4,960,000	3,549,350	8,509,350
2022	3,104,400	1,812,800	227,700	81,900	5,226,800	3,724,850	8,951,650
2023	3,254,900	1,812,800	240,300	86,300	5,394,300	3,905,850	9,300,150
2024	3,409,900	1,921,200	253,900	91,000	5,676,000	4,092,350	9,768,350
TOTAL	$ 45,198,800	$ 29,699,800	$ 3,058,300	$ 1,097,500	$ 79,054,400	$ 54,237,201	$ 133,291,601
	Present Values at 8.0%						
	$16,176,000	$11,108,000	$1,026,000	$368,000	$ 28,678,000	$19,411,000	$48,089,000
Total Present Value:					**$28,678,000**	**$19,411,000**	**$48,089,000**
Less: Reductions for Bond Issue Costs at			10.0%		(2,868,000)	(1,941,000)	(4,809,000)
NET POTENTIAL PROCEEDS					**$25,810,000**	**$17,470,000**	**$43,280,000**

Three Trails Assessed Valuation
4-Dec-01

Parcel PIN	Owner	Address	Assessed Value Land	Assessed Value Bldg	Total AV	Taxes Land	Taxes Bldg	Total
57042	Commerce Bank	5373 E Bannister Rd	89,630	31,970	121,600	7,789	3,018	10,807
57043	DOM Co	5301 Bannister	595,510	881,610	1,477,120	51,750	83,224	134,974
57030	McCandless Joint Ventures	5720 Bannister	305,880	111,610	417,490	26,581	10,536	37,117
57026	City of KC	5700 E Bannister	-	-	-	-	-	-
57031	Red Lobster	5630 E Bannister	123,480	176,360	299,840	10,730	16,648	27,379
57020	McCandless Joint Ventures	5600 A E Bannister Rd	1,446,080	13,344,960	14,791,040	125,664	1,259,764	1,385,429
57027	McCandless Joint Ventures	5620 E Bannister Rd	167,530	184,790	352,320	14,558	17,444	32,003
57028	Sears Roebuck & Co	5600 E Bannister Rd	610,560	1,312,640	1,923,200	53,058	123,913	176,971
57024	McCandless Joint Ventures	5540 E Bannister Rd	251,970	255,230	507,200	21,896	24,094	45,990
57029	Dillard Department Stores Inc	5600 E Bannister Rd	524,360	1,507,640	2,032,000	45,567	142,321	187,888
57022	JC Penney Properties Inc	5600 D E Bannister Rd	332,570	1,395,430	1,728,000	28,900	131,729	160,629
56237	Toys R Us	9110 Hillcrest Rd			-	-	-	-
57021	The May Dept Store	5600 C E Bannister Rd	534,450	941,390	1,475,840	46,444	88,867	135,311
56238	BP-SP Associates LLC	8950 Hillcrest Rd			-	-	-	-
56236	BP Development		83,510	-	83,510	7,257	-	7,257
56242	BIT Holdings Thirty-Five Inc.	8844 Hillcrest Rd	253,000	707,000	960,000	21,986	66,741	88,727
55753	BP Development LP		320	-	320	28	-	28
55748	Penn Properties Holding LLC		200,230	-	200,230	17,400	-	17,400
55752	Benjamin Enterprizes		19,200	-	19,200	1,668	-	1,668
55751	Kansas City Hotels Inc	6101 E 87th St	357,790	858,210	1,216,000	31,092	81,015	112,107
55743	Benjamin Howard D - TR	6509 E 87th St	29,460	-	29,460	2,560	-	2,560
55749	Benjamin Howard		38,170	-	38,170	3,317	-	3,317
56243	BP-SP Associates LLC		89,580	87,020	176,600	7,785	8,215	15,999
					-	-	-	-
TOTAL			6,053,280	21,795,860	27,849,140	526,030	2,057,529	2,583,559
					22,194,292			
					23,793,012			

EXHIBIT 7

SOURCES AND USES OF FUNDS

Under Separate Cover.

EXHIBIT 8

COST-BENEFIT ANALYSIS/IMPACT ANALYSIS

PROPERTY TAXES & PILOTS WITH TIF PLAN
2001 Jackson County Levy Rates

Taxing District	City	Handicap Workshop	Jr. College	Library	Mental Health	School District	Jackson County	Total Property Taxes	Total PILOTS	Total PILOTS & Property Taxes
Levy Rate/$100	1.32	0.08	0.23	0.33	0.133	4.7093	0.57			7.3723
Year										
1	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
2	-	-	-	-	-	-	-	-	-	$ -
3	642,974	38,968	112,033	160,744	64,785	2,293,907	277,648	2,583,559	1,007,500	$ 3,591,059
4	642,974	38,968	112,033	160,744	64,785	2,293,907	277,648	2,583,559	1,007,500	$ 3,591,059
5	656,582	39,793	114,404	164,145	66,156	2,342,455	283,524	2,583,559	1,083,500	$ 3,667,059
6	656,582	39,793	114,404	164,145	66,156	2,342,455	283,524	2,583,559	1,083,500	$ 3,667,059
7	670,727	40,650	116,869	167,682	67,581	2,392,919	289,632	2,583,559	1,162,500	$ 3,746,059
8	670,727	40,650	116,869	167,682	67,581	2,392,919	289,632	2,583,559	1,162,500	$ 3,746,059
9	685,444	41,542	119,433	171,361	69,064	2,445,427	295,987	2,583,559	1,244,700	$ 3,828,259
10	685,444	41,542	119,433	171,361	69,064	2,445,427	295,987	2,583,559	1,244,700	$ 3,828,259
11	700,771	42,471	122,104	175,193	70,608	2,500,107	302,606	2,583,559	1,330,300	$ 3,913,859
12	700,771	42,471	122,104	175,193	70,608	2,500,107	302,606	2,583,559	1,330,300	$ 3,913,859
13	716,706	43,437	124,881	179,177	72,214	2,556,958	309,487	2,583,559	1,419,300	$ 4,002,859
14	716,706	43,437	124,881	179,177	72,214	2,556,958	309,487	2,583,559	1,419,300	$ 4,002,859
15	733,286	44,442	127,770	183,322	73,884	2,616,110	316,646	2,583,559	1,511,900	$ 4,095,459
16	733,286	44,442	127,770	183,322	73,884	2,616,110	316,646	2,583,559	1,511,900	$ 4,095,459
17	750,546	45,488	130,777	187,637	75,623	2,677,688	324,100	2,583,559	1,608,300	$ 4,191,859
18	750,546	45,488	130,777	187,637	75,623	2,677,688	324,100	2,583,559	1,608,300	$ 4,191,859
19	768,487	46,575	133,903	192,122	77,431	2,741,694	331,847	2,583,559	1,708,500	$ 4,292,059
20	768,487	46,575	133,903	192,122	77,431	2,741,694	331,847	2,583,559	1,708,500	$ 4,292,059
21	787,162	47,707	137,157	196,790	79,313	2,808,319	339,911	2,583,559	1,812,800	$ 4,396,359
22	787,162	47,707	137,157	196,790	79,313	2,808,319	339,911	2,583,559	1,812,800	$ 4,396,359
23	806,571	48,883	140,539	201,643	81,268	2,877,564	348,292	$ 2,583,559	$ 1,921,200	$ 4,504,759
Total	$ 15,031,943	$ 911,027	$ 2,619,202	$ 3,757,986	$ 1,514,582	$ 53,628,733	$ 6,491,066	$ 54,254,739	$ 29,699,800	$ 83,954,539

EXISTING PROPERTY TAXES WITHOUT TIF
2001 Jackson County Levy Rates

Taxing District	City	Handicap Workshop	Jr. College	Library	Mental Health	School District	Jackson County	Total Property Taxes
Levy Rate/$100	1.32	0.08	0.23	0.33	0.133	4.7093	0.57	7.3723
Year								
1	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
2	-	-	-	-	-	-	-	-
3	462,583	28,035	80,602	115,646	46,609	1,650,334	199,752	2,583,559
4	462,583	28,035	80,602	115,646	46,609	1,650,334	199,752	2,583,559
5	462,583	28,035	80,602	115,646	46,609	1,650,334	199,752	2,583,559
6	462,583	28,035	80,602	115,646	46,609	1,650,334	199,752	2,583,559
7	462,583	28,035	80,602	115,646	46,609	1,650,334	199,752	2,583,559
8	462,583	28,035	80,602	115,646	46,609	1,650,334	199,752	2,583,559
9	462,583	28,035	80,602	115,646	46,609	1,650,334	199,752	2,583,559
10	462,583	28,035	80,602	115,646	46,609	1,650,334	199,752	2,583,559
11	462,583	28,035	80,602	115,646	46,609	1,650,334	199,752	2,583,559
12	462,583	28,035	80,602	115,646	46,609	1,650,334	199,752	2,583,559
13	462,583	28,035	80,602	115,646	46,609	1,650,334	199,752	2,583,559
14	462,583	28,035	80,602	115,646	46,609	1,650,334	199,752	2,583,559
15	462,583	28,035	80,602	115,646	46,609	1,650,334	199,752	2,583,559
16	462,583	28,035	80,602	115,646	46,609	1,650,334	199,752	2,583,559
17	462,583	28,035	80,602	115,646	46,609	1,650,334	199,752	2,583,559
18	462,583	28,035	80,602	115,646	46,609	1,650,334	199,752	2,583,559
19	462,583	28,035	80,602	115,646	46,609	1,650,334	199,752	2,583,559
20	462,583	28,035	80,602	115,646	46,609	1,650,334	199,752	2,583,559
21	462,583	28,035	80,602	115,646	46,609	1,650,334	199,752	2,583,559
22	462,583	28,035	80,602	115,646	46,609	1,650,334	199,752	2,583,559
23	462,583	28,035	80,602	115,646	46,609	1,650,334	199,752	2,583,559
Total	9,714,235	588,742	1,692,632	2,428,559	978,783	34,657,006	4,194,783	54,254,739

FORMULA CALCULATIONS FOR DISTRIBUTION OF STATE SCHOOL MONEY
HICKMAN MILLS SCHOOL DISTRICT, DISTRICT NO. 648072
COMPILED IN DEC. 2001 BY D. C. NELSON (SEE ATTACHED FOR ASSUMPTIONS)

PURPOSE OF ANALYSIS
The above data is not intended to project the amount of state money for the district, but is intended only to illustrate the effect on the distribution of state money, if the assessed valuation were decreased and all other variables were held constant.

								NET CHANGE
1	DISTRICT ENTITLEMENT							
A	EP * OPER LEVY (MAX 2.75) * GTB/100 * PRORATION FACTOR							
	7128.4	2.75	1348.55	1			26,435,761	
B	EP * OPER LEVY (ABOVE 2.75) * GTB/100 * PRORATION FACTOR							
	7128.4	1.6493	1348.55	1			15,854,727	
	LINE 1 TOTAL (LINE 1A +1B)						42,290,488	
2	DEDUCTIONS - PRIOR YEAR							
A	LESSOR OF 12/31/1994 AV OR PRIOR DEC 31 AV * INCOME FACTOR * EQUAL OPER LEVY							
		360,873,730		0.9585		4.3993	15,217,067	
B	PRIOR YEAR 12/31 AV - 12/31/94 AV * INCOME FACTOR * EQUAL OPER LEVY							
	398,717,197	360,873,730	0.9585	4.3993			**1,595,756**	-258,331
	LINE 2 TOTAL (LINE 2A = LINE 2B)						**16,812,824**	-258,330
3	INTANGIBLE TAXES (5114), FINES (5211), IN LIEU OF TAX (5116) (FUND 1 & 2)						568,097	
4	STATE ASSESSED RAILROAD AND UTILITY (5221) (FUND 1 & 2)						571,926	
5	FEDERAL PROPERTIES (5231) (FUND 1 & 2)						0	
6	FEDERAL IMPACT AID (5411) (FUND 1 & 2) - 50,000 * 90%						0	
7	PROPOSITION C (FUND 1 & 2) * .50						2,732,353	
8	FAIR SHARE (FUND 1 & 2)						194,083	
9	FREE TEXTBOOK (FUND 1 & 2)						616,476	
10	TOTAL DEDUCTIONS (SUM OF LINES 2-9)						21,495,759	-258,330
	BASIC FORMULA (LINE 1 - LINE 10)						**20,794,729**	258,330
14	FREE & REDUCED LUNCH - AT RISK							
A	F & R LUNCH COUNT * FACTOR * GTB/100 * OPER LEVY (MIN 2.75)							
	3654	.20	1348.55	2.75			2,710,181	
B	F & R LUNCH COUNT * FACTOR * GTB/100 * OPER LEVY (ABOVE 2.75)							
	3654	.30	1191.63	1.6493			2,154,423	
	LINE 14 TOTAL (LINE 14A +14B)						4,864,604	
A	DISTRICT APPORTIONMENT (LINE 1 - LINE 10 + LINE 14)						**25,659,333**	258,330
B	2001-2002 DISTRICT APPORTIONMENT PER EP (INCLUDES LINE 14)						**3,599.59219**	36.23982
C	HOLD HARMLESS NOT APPLICABLE						N/A	
D	2001-2002 PAYMENT AMOUNT PER EP (INCLUDES LINE 14 EP)						**3,599.59219**	
E	2001-2002 PAYMENT EP						7,128.40	
F	BASIC FORMULA AND LINE 14 (LINE D * LINE E)						**25,659,333**	258,330
G	LESS LINE 14 (4,864,604) * 1.00000000 (REVENUE CODE 5318)						4,864,604	
H	2001-2002 BASIC FORMULA APPORTIONMENT (REVENUE CODE 5311)						**20,794,729**	258,330

Impact on School District Annual OPERATING FUNDS Revenue

The net result of this assumed scenario initially appears to be an increase in State School Money for the Operating Funds of approximately $258,330.

However, assuming the District's tax rates remained the same and assuming a collection rate of 98%, under this same scenario the District's local tax revenues would decrease according to the below formula:

FORMULA: Decrease in Market Value x Assessment Rate x Levy/100 x Collection Rate

26,644,800 -7,500,000 x 0.32 x 0.0433 x 0.98 = $259,965

Net Loss to Annual Operating Budget = $1,635

Impact on School District Annual DEBT SERVICE FUNDS Revenue

None of the State School Formula Money goes into the Debt Service Fund so this scenario would have a negative impact on this fund.

Assuming the District's tax rates remained the same and assuming a collection rate of 98%, under his scenario the District's local tax revenue for the Debt Service Fund would decrease by:

FORMULA: Decrease in Market Value x Assessment Rate x Levy/100 x Collection Rate

26,644,800 -7,500,000 x 0.32 x 0.0057 x 0.98 = **$34,222 Annual Loss**

ASSUMPTIONS USED

The purpose of these date is to illustrate the possible impact on the District's State School Apportionment when the assessed valuation of the district is reduced.

The basis for the data was the formula calculations prepared by the School Finance Section of the Missouri Department of Elementary and Secondary Education dated November 9, 2001.

It is understood that many of the factors and variables used in the formula change from year to year, and often times during the school year, but for this illustration we have kept all factors and variables constant except to reduce the "prior year 12/31 AV" in line 2B by an amount that approximates the impact of reducing the Market Value of Bannister Mall from $26,644,800 to $7,500,000.

{ New Request} {Download Data }

Finance Report, 1997-20

	HICKMAN MILLS C-1					
Year	1996-97	1997-98	1998-99	1999-00	2000-01	19
Fall Enrollment	7,196	7,246	7,311	7,319	7,351	88
Students Eligible for Free/Reduced Lunch (%)	41.44	42.04	48.29	48.58	49.91	
Average Daily Attendance (ADA)	6,509.79	6,739.35	6,865.87	6,970.03	7,066.28	818,8
Rate of Attendance (%)	92.30	94.40	96.60	96.50	95.70	
Total Expenditures	$43,764,269	$50,071,786	$55,980,238	$67,036,113	$67,775,920	$5,668,1
Total Current Exp.	$37,526,389	$42,933,531	$46,178,987	$50,735,597	$55,263,019	$4,401,41
Current Exp per ADA	$5,765.00	$6,371.00	$6,726.00	$7,279.00	$7,821.00	$
Percent of Total Revenue from						
Federal (%)	5.66	6.39	5.15	6.96	7.85	
State (%)	38.99	39.10	29.24	43.40	45.51	
Local and County (%)	44.94	44.53	32.35	40.64	37.33	
Proposition C (%)	9.44	9.50	7.12	8.87	9.03	
Non-current (%)	0.96	0.49	26.14	0.14	0.27	
Assessed Valuation	$368,734,440	$394,753,270	$391,615,170	$416,432,350	$404,843,533	$46,542,0

Tax Rates						
Voted Tax Rate Ceiling						
Operating Funds	$4.13	$4.14	$4.24	$4.23	$4.33	
Debt Service	$0.56	$0.57	$0.63	$0.67	$0.57	
Adjusted Tax Rate						
Incidental	$1.14	$1.31	$1.41	$1.57	$1.57	
Teachers	$2.71	$2.66	$2.66	$2.66	$2.66	
Debt Service	$0.33	$0.31	$0.29	$0.31	$0.31	
Capital Projects	$0.18	$0.08	$0.00	$0.00	$0.00	

Source: Missouri Dept. of Elementary and Secondary Education
Core Data as submitted by Missouri Public Schools

Data as of November 5, 2001
Table Posted November 8, 2001
Table Updated November 21, 2001

EXHIBIT 9

EVIDENCE OF "BUT FOR"

Under Separate Cover.

Development Finance Services For the

The Tax Increment Financing Commission of Kansas City, Missouri

Relating to the Proposed

Three Trails Town Center Tax Increment Financing District

Development Report
January 14, 2002

Fahnestock & Co. Inc.

January 14, 2002

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SCOPE OF SERVICES

The following analysis was completed on behalf of the EDC:

1. Review the proposal for implementation of the Plan submitted by the Developer, particularly with respect to how the Development Proposal may relate to the Commission's plans and objectives.

2. Review the reasonableness of Developer's assumptions and anticipated cost estimates, as regards the Developer's development budget and operating pro forma, as compared with similar developments in the greater Kansas City area, including suburban areas in both Missouri and Kansas.

3. If the Developer's assumptions vary significantly from the Professional's experience with similar projects, analyze *why* the Developer's assumptions or cost estimates vary and *reasonableness* of those variances.

4. Assuming that the Professional is satisfied that all of the Developer's assumptions and cost estimates are reasonable, in consultation with Agency staff, assess the amount of public assistance needed in order for the Development Proposal to be completed. This task should result in the identification of a risk-appropriate rate of return that will justify the equity investment and lead to the conclusion that the Developer will be likely to be able to obtain sufficient lender financing to fund the Development Proposal in accordance with the development budget.

5. Compare the Professional's calculation of the *amount* of needed public assistance to enable the Developer to complete the Development Proposal (the "Gap") with the Developer's calculation of needed public assistance.

6. If the public assistance needed to complete the Development proposal which is calculated by the Professional (the "Gap") varies significantly from the Developer's calculation of the needed public assistance, explain why the results of the two calculations are different.

7. Provide discussion and analysis of the funding proposal as it relates to both private equity and debt, and anticipated TIF funding. Discuss and analyze the Developer's proposal for bond financing of the Plan improvements financed with TIF revenue.

8. Provide analysis of the economic impact of earnings and sales tax receipts to the City assuming (a) that the TIF Plan in not implemented and the retailing economy of the area continues to decline and (b) that the TIF Plan is implemented and area economics improve.

SOURCES

Tax Increment Financing	$31,500,000	39%
Owner Debt and Equity	30,000,000	37%
Individual Stores (incl. Anchors)	20,000,000	25%
TOTAL Sources	**$81,500,000**	

Public	**39%**
Private	**61%**

USES

Tenant Improvements and Anchor Site Acquisition by Owner	$51,500,000
Common Area Mall and Lake Improvements by Owner	10,000,000
Improvements to Individual Stores	20,000,000
TOTAL Uses	**$81,500,000**

NOTE: All TIF Proceeds will be directed to private improvements relating to the Jone's Store and Bass Pro relocation and the refurbishment of the Dillards site for reuse by Dillards or other suitable tenant.

ANTICIPATED PROJECT FUND DRAWS

	TIF Funds	Owner Funds	Tenant Fund	TOTAL
May-2002	$6,500,000	-	-	**$6,500,000**
Jun-2002	6,500,000	$1,200,000	-	**7,700,000**
Jul-2002	3,000,000	2,400,000	$800,000	**6,200,000**
Aug-2002	3,000,000	3,000,000	1,000,000	**7,000,000**
Sep-2002	3,000,000	3,600,000	1,000,000	**7,600,000**
Oct-2002	3,000,000	2,500,000	1,000,000	**6,500,000**
Nov-2002	2,000,000	2,600,000	1,000,000	**5,600,000**
Dec-2002	3,000,000	2,000,000	1,600,000	**6,600,000**
Jan-2003	-	2,000,000	1,600,000	**3,600,000**
Feb-2003	-	2,000,000	2,000,000	**4,000,000**
Mar-2003	-	2,700,000	2,000,000	**4,700,000**
Apr-2003	5,000,000	2,000,000	2,000,000	**9,000,000**
May-2003	-	2,000,000	2,000,000	**4,000,000**
Jun-2003	-	2,000,000	1,600,000	**3,600,000**
Jul-2003	-	-	1,200,000	**1,200,000**
Aug-2003	-	-	1,200,000	**1,200,000**
Sep-2003	-	-	-	
TOTAL	**$35,000,000**	**$30,000,000**	**$20,000,000**	**$85,000,000**

Internal Rate of Return Calculation

Calculation Dates		(Equity In) / Sale Proceeds	Net Cash Flow / (Cash Flow Deficit)	Cashflow For Valuation	13.8% PV Factor	Valuation
6/1/2002	Value of Property	($7,500,000)		($7,500,000)	1.0000000	($7,500,000)
12/1/2002	Equity Payment	(4,390,240)	$2,075,200	(2,315,040)	0.9373169	(2,169,926)
12/1/2003	Equity Payment	(1,609,760)	220,500	(1,389,260)	0.8237833	(1,144,449)
12/1/2004			(585,000)	(585,000)	0.7237456	(423,391)
12/1/2005			590,100	590,100	0.6360810	375,351
12/1/2006			680,200	680,200	0.5590350	380,256
12/1/2007			819,600	819,600	0.4913212	402,687
12/1/2008			915,700	915,700	0.4316567	395,268
12/1/2009			1,063,700	1,063,700	0.3793717	403,538
12/1/2010			1,167,200	1,167,200	0.3334199	389,168
12/1/2011			1,323,800	1,323,800	0.2930340	387,918
12/1/2012			1,434,100	1,434,100	0.2574489	369,207
12/1/2013			1,600,800	1,600,800	0.2262651	362,205
12/1/2013	Net Sale Proceeds	34,349,838		34,349,838	0.2262651	7,772,168
		$20,849,838	$11,305,900	$32,155,738		($0)

Summary:		**Sale Price:**	
Total Private Debt	$24,000,000	8.00% Cap Rate	$51,446,250
Total Equity Committed	13,500,000	Loan Payoff	(17,096,412)
Total Private Financing	$37,500,000	Net Amount Valued	$34,349,838

8.00% Cap Rate after 10 years of stable operation

Yr. 10 NOI $4,115,700

Equity IRR=	**13.8%**

PROFORMA
BANNISTER MALL REDEVELOPMENT TO THREE TRAILS MALL

Inflation	3.0%	**Terms of Debt**	
Equity	20%	Term	22 years
Grant	0%	Interest	9.0%
Debt	80%	Incurred as development costs are incurred	

			2002	2003	2004	2005	2006
DEVELOPMENT COSTS			73%	27%			
Owner Development Costs	**$**	**61,500,000**	**$ 45,000,000**	**$ 16,500,000**			
Cumulative Total			*$ 45,000,000*	*$ 61,500,000*			
	*** = TIF Amount $**	**31,500,000**					
REVENUES			**2002**	**2003**	**2004**	**2005**	**2006**
	Per Square Foot Per Year						
Rental Income - Minimum	$ 15.00		4,754,500	5,628,100	5,806,000	5,989,100	6,177,800
Temporary Tenant Income	1.00		317,000	326,500	336,300	346,400	356,800
Rental Income - Overages	1.00		317,000	326,500	336,300	346,400	356,800
Less vacancy factor	*10.0%*		*(538,900)*	*(555,000)*	*(571,700)*	*(588,800)*	*(606,500)*
Common Area Charges	3.00		950,900	1,267,900	1,305,900	1,345,100	1,385,500
Property Taxes Recovery	2.00		633,900	652,900	672,500	692,700	713,500
Insurance	0.05		15,800	16,300	16,800	17,300	17,800
Escalation Charges	0.25		79,200	81,600	84,000	86,500	89,100
Sale of Utilities	1.50		475,400	489,700	504,400	519,500	535,100
Marketing Revenues	0.50		158,500	163,300	168,200	173,200	178,400
Miscellaneous Income	0.50		158,500	163,300	168,200	173,200	178,400
Total Revenues	**$ 24.30**		**$ 7,321,800**	**$ 8,561,100**	**$ 8,826,900**	**$ 9,100,600**	**$ 9,382,700**
OPERATING EXPENSES			**2002**	**2003**	**2004**	**2005**	**2006**
Square Feet of Responsibility (excludes all anchors)			*480,000*	*480,000*	*480,000*	*480,000*	*480,000*
Parking Lot	$ 0.16		$ 56,700	$ 77,900	$ 80,200	$ 82,600	$ 85,100
Utilities	1.31		471,825	648,000	667,400	687,400	708,100
Security	1.06		380,700	522,800	538,500	554,700	571,300
Mall HVAC	0.20		72,900	100,100	103,100	106,200	109,400
Snow Removal	0.09		32,400	44,500	45,800	47,200	48,600
Trash Removal	0.09		32,400	44,500	45,800	47,200	48,600
Landscaping	0.23		81,000	111,200	114,600	118,000	121,600
Elevator/Escalator	0.11		40,500	55,600	57,300	59,000	60,800
Roof Repair	0.03		12,150	16,700	17,200	17,700	18,200
Other Maintenance	1.16		419,175	575,700	592,900	610,700	629,000
Central Utility System	0.02		8,100	11,100	11,500	11,800	12,200
Office Area Services	0.02		8,100	11,100	11,500	11,800	12,200
Advertising	0.37		133,650	183,500	189,100	194,700	200,600
Promotions/Special Events	0.14		48,600	66,700	68,700	70,800	72,900
Christmas Décor/Events	0.05		16,200	22,200	22,900	23,600	24,300
Marketing Administration	0.11		40,500	55,600	57,300	59,000	60,800
Merchants Association	0.23		81,000	111,200	114,600	118,000	121,600
Liability Insurance	0.19		68,850	94,600	97,400	100,300	103,300
Property Insurance	0.03		12,150	16,700	17,200	17,700	18,200
Special Insurance	0.02		8,100	11,100	11,500	11,800	12,200
Bad Debt Allowance	0.14		48,600	66,700	68,700	70,800	72,900
On-site Payroll/Benefits	0.74		267,300	367,100	378,100	389,400	401,100
Professional Services	0.16		56,700	77,900	80,200	82,600	85,100
Other	0.14		48,600	66,700	68,700	70,800	72,900
Subtotal	**$ 6.80 psf**		**$ 2,446,200**	**$ 3,359,200**	**$ 3,460,200**	**$ 3,563,800**	**$ 3,671,000**
Maintenance Near Anchors			10,000	10,300	10,600	10,900	11,200
Management Agent Fees	4% of rent		190,200	225,100	232,200	239,600	247,100
Leasing Agent Fees	$ 4.10 2002-2004 $ 2.05 2005-2024		1,476,000	2,027,000	2,087,900	1,075,200	1,107,500
Property Taxes			204,100	204,100	1,106,100	1,106,100	1,150,800
Total Operating Expenses	**$ 11.77 psf**		**$ 4,326,500**	**$ 5,825,700**	**$ 6,897,000**	**$ 5,995,600**	**$ 6,187,600**
NET OPERATING INCOME			**$ 2,995,300**	**$ 2,735,400**	**$ 1,929,900**	**$ 3,105,000**	**$ 3,195,100**

SCENARIO 2: TIF BOND FINANCING			2002	2003	2004	2005	2006
Total Development Costs	$	61,500,000	$ 45,000,000	$ 16,500,000			
Less: Cash Proceeds from Local TIF		*($31,500,000)*	*($23,048,800)*	*($8,451,200)*			
Total Owner Development Costs	$	30,000,000	$ 21,951,200	$ 8,048,800			
Equity portion of Development Costs	20%	6,000,000	4,390,240	1,609,760			
Debt portion of Development Costs	80%	24,000,000	17,561,000	6,439,000			
Annual Debt Service at Quarterly Payments			**($1,840,200)**	**($2,514,900)**	**($2,514,900)**	**($2,514,900)**	**($2,514,900)**
NET CASH FLOW FOR VALUATION			**$2,075,200**	**$220,500**	**($585,000)**	**$590,100**	**$680,200**

PROFORMA
BANNISTER MALL REDEVELOP

Inflation	
Equity	
Grant	
Debt	

Cap Rate	**8%**
NOI $	**4,115,700**
Value	**$51,446,250**
Debt Payoff Amt.	**($17,096,412)**
Sale Proceeds	**$34,349,838**

	2007	2008	2009	2010	2011	2012	2013
DEVELOPMENT COSTS							
Owner Development Costs							
Cumulative Total							

REVENUES	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**
Per							
Rental Income - Minimum	6,372,100	6,572,300	6,778,500	6,990,800	7,209,600	7,434,900	7,666,900
Temporary Tenant Income	367,500	378,500	389,900	401,600	413,600	426,000	438,800
Rental Income - Overages	367,500	378,500	389,900	401,600	413,600	426,000	438,800
Less vacancy factor	*(624,700)*	*(643,400)*	*(662,700)*	*(682,600)*	*(703,100)*	*(724,200)*	*(745,900)*
Common Area Charges	1,427,100	1,469,900	1,514,000	1,559,400	1,606,200	1,654,400	1,704,000
Property Taxes Recovery	734,900	756,900	779,600	803,000	827,100	851,900	877,500
Insurance	18,300	18,800	19,400	20,000	20,600	21,200	21,800
Escalation Charges	91,800	94,600	97,400	100,300	103,300	106,400	109,600
Sale of Utilities	551,200	567,700	584,700	602,200	620,300	638,900	658,100
Marketing Revenues	183,800	189,300	195,000	200,900	206,900	213,100	219,500
Miscellaneous Income	183,800	189,300	195,000	200,900	206,900	213,100	219,500
Total Revenues	**$ 9,673,300**	**$ 9,972,400**	**$ 10,280,700**	**$ 10,598,100**	**$ 10,925,000**	**$ 11,261,700**	**$ 11,608,600**

OPERATING EXPENSES	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**
Square Feet of Responsibility (excludes all anchors)	*480,000*	*480,000*	*480,000*	*480,000*	*480,000*	*480,000*	*480,000*
Parking Lot	$ 87,600	$ 90,300	$ 93,000	$ 95,800	$ 98,600	$ 101,600	$ 104,600
Utilities	729,300	751,200	773,700	796,900	820,800	845,500	870,800
Security	588,400	606,100	624,300	643,000	662,300	682,200	702,600
Mall HVAC	112,700	116,100	119,500	123,100	126,800	130,600	134,500
Snow Removal	50,100	51,600	53,100	54,700	56,400	58,100	59,800
Trash Removal	50,100	51,600	53,100	54,700	56,400	58,100	59,800
Landscaping	125,200	129,000	132,800	136,800	140,900	145,100	149,500
Elevator/Escalator	62,600	64,500	66,400	68,400	70,500	72,600	74,700
Roof Repair	18,800	19,300	19,900	20,500	21,100	21,800	22,400
Other Maintenance	647,900	667,400	687,400	708,000	729,200	751,100	773,600
Central Utility System	12,500	12,900	13,300	13,700	14,100	14,500	14,900
Office Area Services	12,500	12,900	13,300	13,700	14,100	14,500	14,900
Advertising	206,600	212,800	219,200	225,700	232,500	239,500	246,700
Promotions/Special Events	75,100	77,400	79,700	82,100	84,500	87,100	89,700
Christmas Décor/Events	25,000	25,800	26,600	27,400	28,200	29,000	29,900
Marketing Administration	62,600	64,500	66,400	68,400	70,500	72,600	74,700
Merchants Association	125,200	129,000	132,800	136,800	140,900	145,100	149,500
Liability Insurance	106,400	109,600	112,900	116,300	119,800	123,400	127,100
Property Insurance	18,800	19,300	19,900	20,500	21,100	21,800	22,400
Special Insurance	12,500	12,900	13,300	13,700	14,100	14,500	14,900
Bad Debt Allowance	75,100	77,400	79,700	82,100	84,500	87,100	89,700
On-site Payroll/Benefits	413,200	425,600	438,300	451,500	465,000	479,000	493,300
Professional Services	87,600	90,300	93,000	95,800	98,600	101,600	104,600
Other	75,100	77,400	79,700	82,100	84,500	87,100	89,700
Subtotal	**$ 3,780,900**	**$ 3,894,900**	**$ 4,011,300**	**$ 4,131,700**	**$ 4,255,400**	**$ 4,383,500**	**$ 4,514,300**
Maintenance Near Anchors	11,500	11,800	12,200	12,600	13,000	13,400	13,800
Management Agent Fees	254,900	262,900	271,100	279,600	288,400	297,400	306,700
Leasing Agent Fees	1,140,700	1,174,900	1,210,200	1,246,500	1,283,900	1,322,400	1,362,100
Property Taxes	1,150,800	1,197,300	1,197,300	1,245,600	1,245,600	1,296,000	1,296,000
Total Operating Expenses	**$ 6,338,800**	**$ 6,541,800**	**$ 6,702,100**	**$ 6,916,000**	**$ 7,086,300**	**$ 7,312,700**	**$ 7,492,900**
NET OPERATING INCOME	**$ 3,334,500**	**$ 3,430,600**	**$ 3,578,600**	**$ 3,682,100**	**$ 3,838,700**	**$ 3,949,000**	**$ 4,115,700**

SCENARIO 2: TIF BOND FINANCI	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**
Total Development Costs							
Less: Cash Proceeds from Local TIF							
Total Owner Development Costs							
Equity portion of Development Costs							
Debt portion of Development Costs							**YR. END SALE**
Annual Debt Service at Quarterly Pa	**($2,514,900)**	**($2,514,900)**	**($2,514,900)**	**($2,514,900)**	**($2,514,900)**	**($2,514,900)**	**($2,514,900)**
NET CASH FLOW FOR VALUATI	**$819,600**	**$915,700**	**$1,063,700**	**$1,167,200**	**$1,323,800**	**$1,434,100**	**$1,600,800**

Internal Rate of Return Calculation

Calculation Dates		(Equity In) / Sale Proceeds	Net Cash Flow / (Cash Flow Deficit)	Cashflow For Valuation	0.0% PV Factor	Valuation
6/1/2002	Value of Property	($7,500,000)		($7,500,000)	1.0000000	($7,500,000)
12/1/2002	Equity Payment	(9,000,000)	$1,109,100	(7,890,900)	1.0000000	(7,890,900)
12/1/2003	Equity Payment	(3,300,000)	(2,420,200)	(5,720,200)	1.0000000	(5,720,200)
12/1/2004			(3,225,700)	(3,225,700)	1.0000000	(3,225,700)
12/1/2005			(2,050,600)	(2,050,600)	1.0000000	(2,050,600)
12/1/2006			(1,960,500)	(1,960,500)	1.0000000	(1,960,500)
12/1/2007			(1,821,100)	(1,821,100)	1.0000000	(1,821,100)
12/1/2008			(1,725,000)	(1,725,000)	1.0000000	(1,725,000)
12/1/2009			(1,577,000)	(1,577,000)	1.0000000	(1,577,000)
12/1/2010			(1,473,500)	(1,473,500)	1.0000000	(1,473,500)
12/1/2011			(1,316,900)	(1,316,900)	1.0000000	(1,316,900)
12/1/2012			(1,206,600)	(1,206,600)	1.0000000	(1,206,600)
12/1/2013			(1,039,900)	(1,039,900)	1.0000000	(1,039,900)
12/1/2013	Net Sale Proceeds	16,398,604		16,398,604	1.0000000	16,398,604
		($3,401,396)	($18,707,900)	($22,109,296)		($22,109,296)

Summary:

Total Private Debt	$49,200,000
Total Equity In	19,800,000
Total Private Financing	$69,000,000

Sale Price:

8.00% Cap Rate	$51,446,250
Loan Payoff	(35,047,646)
Net Amount Valued	$16,398,604

8.00% Cap Rate after 10 years of stable operation

Yr. 10 NOI	$4,115,700

Equity IRR= N/A

PROFORMA
BANNISTER MALL REDEVELOPMENT TO THREE TRAILS MALL

Inflation	3.0%	**Terms of Debt**	
Equity	20%	Term	22 years
Grant	0%	Interest	9.0%
Debt	80%	Incurred as development costs are incurred	

		Total	2002	2003	2004	2005	2006
DEVELOPMENT COSTS			73%	27%			
Owner Development Costs	$	**61,500,000**	$ **45,000,000**	$ **16,500,000**			
Cumulative Total			*$ 45,000,000*	*$ 61,500,000*			
* = TIF Amount	$	**31,500,000**					

REVENUES	Per Square Foot Per Year	2002	2003	2004	2005	2006
Rental Income - Minimum	$ 15.00	4,754,500	5,628,100	5,806,000	5,989,100	6,177,800
Temporary Tenant Income	1.00	317,000	326,500	336,300	346,400	356,800
Rental Income - Overages	1.00	317,000	326,500	336,300	346,400	356,800
Less vacancy factor	*10.0%*	*(538,900)*	*(555,000)*	*(571,700)*	*(588,800)*	*(606,500)*
Common Area Charges	3.00	950,900	1,267,900	1,305,900	1,345,100	1,385,500
Property Taxes Recovery	2.00	633,900	652,900	672,500	692,700	713,500
Insurance	0.05	15,800	16,300	16,800	17,300	17,800
Escalation Charges	0.25	79,200	81,600	84,000	86,500	89,100
Sale of Utilities	1.50	475,400	489,700	504,400	519,500	535,100
Marketing Revenues	0.50	158,500	163,300	168,200	173,200	178,400
Miscellaneous Income	0.50	158,500	163,300	168,200	173,200	178,400
Total Revenues	**$ 24.30**	**$ 7,321,800**	**$ 8,561,100**	**$ 8,826,900**	**$ 9,100,600**	**$ 9,382,700**

OPERATING EXPENSES			2002	2003	2004	2005	2006
Square Feet of Responsibility (excludes all anchors)			*480,000*	*480,000*	*480,000*	*480,000*	*480,000*
Parking Lot	$ 0.16		$ 56,700	$ 77,900	$ 80,200	$ 82,600	$ 85,100
Utilities	1.31		471,825	648,000	667,400	687,400	708,100
Security	1.06		380,700	522,800	538,500	554,700	571,300
Mall HVAC	0.20		72,900	100,100	103,100	106,200	109,400
Snow Removal	0.09		32,400	44,500	45,800	47,200	48,600
Trash Removal	0.09		32,400	44,500	45,800	47,200	48,600
Landscaping	0.23		81,000	111,200	114,600	118,000	121,600
Elevator/Escalator	0.11		40,500	55,600	57,300	59,000	60,800
Roof Repair	0.03		12,150	16,700	17,200	17,700	18,200
Other Maintenance	1.16		419,175	575,700	592,900	610,700	629,000
Central Utility System	0.02		8,100	11,100	11,500	11,800	12,200
Office Area Services	0.02		8,100	11,100	11,500	11,800	12,200
Advertising	0.37		133,650	183,500	189,100	194,700	200,600
Promotions/Special Events	0.14		48,600	66,700	68,700	70,800	72,900
Christmas Décor/Events	0.05		16,200	22,200	22,900	23,600	24,300
Marketing Administration	0.11		40,500	55,600	57,300	59,000	60,800
Merchants Association	0.23		81,000	111,200	114,600	118,000	121,600
Liability Insurance	0.19		68,850	94,600	97,400	100,300	103,300
Property Insurance	0.03		12,150	16,700	17,200	17,700	18,200
Special Insurance	0.02		8,100	11,100	11,500	11,800	12,200
Bad Debt Allowance	0.14		48,600	66,700	68,700	70,800	72,900
On-site Payroll/Benefits	0.74		267,300	367,100	378,100	389,400	401,100
Professional Services	0.16		56,700	77,900	80,200	82,600	85,100
Other	0.14		48,600	66,700	68,700	70,800	72,900
Subtotal	**$ 6.80**	**psf**	**$ 2,446,200**	**$ 3,359,200**	**$ 3,460,200**	**$ 3,563,800**	**$ 3,671,000**
Maintenance Near Anchors			10,000	10,300	10,600	10,900	11,200
Management Agent Fees	4%	of rent	190,200	225,100	232,200	239,600	247,100
Leasing Agent Fees	$ 4.10 $ 2.05	2002-2004 2005-2024	1,476,000	2,027,000	2,087,900	1,075,200	1,107,500
Property Taxes			204,100	204,100	1,106,100	1,106,100	1,150,800
Total Operating Expenses	**$ 11.77**	**psf**	**$ 4,326,500**	**$ 5,825,700**	**$ 6,897,000**	**$ 5,995,600**	**$ 6,187,600**
NET OPERATING INCOME			**$ 2,995,300**	**$ 2,735,400**	**$ 1,929,900**	**$ 3,105,000**	**$ 3,195,100**

SCENARIO 1: NO TIF FINANCING			Total	2002	2003	2004	2005	2006
Total Development Costs		$	61,500,000	$ 45,000,000	$ 16,500,000			
Less: Cash Proceeds from Local TIF			*$0*	*$0*	*$0*			
Total Owner Development Costs		$	61,500,000	$ 45,000,000	$ 16,500,000			
Equity portion of Development Costs	20%		12,300,000	9,000,000	3,300,000			
Debt portion of Development Costs	80%		49,200,000	36,000,000	13,200,000			
Annual Debt Service at Quarterly Payments				**($3,772,400)**	**($5,155,600)**	**($5,155,600)**	**($5,155,600)**	**($5,155,600)**
NET CASH FLOW FOR VALUATION				**$1,109,100**	**($2,420,200)**	**($3,225,700)**	**($2,050,600)**	**($1,960,500)**

PROFORMA
BANNISTER MALL REDEVELOP

Inflation	
Equity	
Grant	
Debt	

Cap Rate		**8%**
NOI	**$**	**4,115,700**
Value		**$51,446,250**
Debt Payoff Amt.		**($35,047,646)**
Sale Proceeds		**$16,398,604**

DEVELOPMENT COSTS	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**
Owner Development Costs							
Cumulative Total							

REVENUES	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**
Per S							
Rental Income - Minimum	6,372,100	6,572,300	6,778,500	6,990,800	7,209,600	7,434,900	7,666,900
Temporary Tenant Income	367,500	378,500	389,900	401,600	413,600	426,000	438,800
Rental Income - Overages	367,500	378,500	389,900	401,600	413,600	426,000	438,800
Less vacancy factor	*(624,700)*	*(643,400)*	*(662,700)*	*(682,600)*	*(703,100)*	*(724,200)*	*(745,900)*
Common Area Charges	1,427,100	1,469,900	1,514,000	1,559,400	1,606,200	1,654,400	1,704,000
Property Taxes Recovery	734,900	756,900	779,600	803,000	827,100	851,900	877,500
Insurance	18,300	18,800	19,400	20,000	20,600	21,200	21,800
Escalation Charges	91,800	94,600	97,400	100,300	103,300	106,400	109,600
Sale of Utilities	551,200	567,700	584,700	602,200	620,300	638,900	658,100
Marketing Revenues	183,800	189,300	195,000	200,900	206,900	213,100	219,500
Miscellaneous Income	183,800	189,300	195,000	200,900	206,900	213,100	219,500
Total Revenues	**$ 9,673,300**	**$ 9,972,400**	**$ 10,280,700**	**$ 10,598,100**	**$ 10,925,000**	**$ 11,261,700**	**$ 11,608,600**

OPERATING EXPENSES	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**
Square Feet of Responsibility (excludes all anchors)	*480,000*	*480,000*	*480,000*	*480,000*	*480,000*	*480,000*	*480,000*
Parking Lot	$ 87,600	$ 90,300	$ 93,000	$ 95,800	$ 98,600	$ 101,600	$ 104,600
Utilities	729,300	751,200	773,700	796,900	820,800	845,500	870,800
Security	588,400	606,100	624,300	643,000	662,300	682,200	702,600
Mall HVAC	112,700	116,100	119,500	123,100	126,800	130,600	134,500
Snow Removal	50,100	51,600	53,100	54,700	56,400	58,100	59,800
Trash Removal	50,100	51,600	53,100	54,700	56,400	58,100	59,800
Landscaping	125,200	129,000	132,800	136,800	140,900	145,100	149,500
Elevator/Escalator	62,600	64,500	66,400	68,400	70,500	72,600	74,700
Roof Repair	18,800	19,300	19,900	20,500	21,100	21,800	22,400
Other Maintenance	647,900	667,400	687,400	708,000	729,200	751,100	773,600
Central Utility System	12,500	12,900	13,300	13,700	14,100	14,500	14,900
Office Area Services	12,500	12,900	13,300	13,700	14,100	14,500	14,900
Advertising	206,600	212,800	219,200	225,700	232,500	239,500	246,700
Promotions/Special Events	75,100	77,400	79,700	82,100	84,500	87,100	89,700
Christmas Décor/Events	25,000	25,800	26,600	27,400	28,200	29,000	29,900
Marketing Administration	62,600	64,500	66,400	68,400	70,500	72,600	74,700
Merchants Association	125,200	129,000	132,800	136,800	140,900	145,100	149,500
Liability Insurance	106,400	109,600	112,900	116,300	119,800	123,400	127,100
Property Insurance	18,800	19,300	19,900	20,500	21,100	21,800	22,400
Special Insurance	12,500	12,900	13,300	13,700	14,100	14,500	14,900
Bad Debt Allowance	75,100	77,400	79,700	82,100	84,500	87,100	89,700
On-site Payroll/Benefits	413,200	425,600	438,300	451,500	465,000	479,000	493,300
Professional Services	87,600	90,300	93,000	95,800	98,600	101,600	104,600
Other	75,100	77,400	79,700	82,100	84,500	87,100	89,700
Subtotal	**$ 3,780,900**	**$ 3,894,900**	**$ 4,011,300**	**$ 4,131,700**	**$ 4,255,400**	**$ 4,383,500**	**$ 4,514,300**
Maintenance Near Anchors	11,500	11,800	12,200	12,600	13,000	13,400	13,800
Management Agent Fees	254,900	262,900	271,100	279,600	288,400	297,400	306,700
Leasing Agent Fees	1,140,700	1,174,900	1,210,200	1,246,500	1,283,900	1,322,400	1,362,100
Property Taxes	1,150,800	1,197,300	1,197,300	1,245,600	1,245,600	1,296,000	1,296,000
Total Operating Expenses	**$ 6,338,800**	**$ 6,541,800**	**$ 6,702,100**	**$ 6,916,000**	**$ 7,086,300**	**$ 7,312,700**	**$ 7,492,900**
NET OPERATING INCOME	**$ 3,334,500**	**$ 3,430,600**	**$ 3,578,600**	**$ 3,682,100**	**$ 3,838,700**	**$ 3,949,000**	**$ 4,115,700**

SCENARIO 1: NO TIF FINANCING	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**
Total Development Costs							
Less: Cash Proceeds from Local TIF							
Total Owner Development Costs							
Equity portion of Development Costs							
Debt portion of Development Costs							**YR END SALE**
Annual Debt Service at Quarterly Pa	**($5,155,600)**	**($5,155,600)**	**($5,155,600)**	**($5,155,600)**	**($5,155,600)**	**($5,155,600)**	**($5,155,600)**
NET CASH FLOW FOR VALUATI	**($1,821,100)**	**($1,725,000)**	**($1,577,000)**	**($1,473,500)**	**($1,316,900)**	**($1,206,600)**	**($1,039,900)**

ASSUMPTION

1. The mall continues to operate without TIF, the "steady state" hypothesis.

Discussion: Not analyzed. Given the current state of mall retail and high level of vacancy the mall owners have told us the mall cannot operate without significant enhancement. The "but-for" analysis provided by the developer demonstrates that repositioning the mall through private investment alone is not economically feasible.

Analysis Performed: None

Area Development Review

The following analyses were performed to test various outcomes for Benjamin Plaza / Bannister Mall area. The analysis relates to retail sales and earnings tax revenues generated. The analyses does not address the issue of property tax revenues. In general, for retailers, property taxes would increase or decease in tandem with sales activity.

Property taxes were not analyzed because most of the economic benefit to the City is derived from earnings taxes and sales taxes.

ASSUMPTION

2. The Bass Pro transaction fails and the Mall is shuttered: "base line" hypothesis.

Discussion: Without the repositioning of the mall through the addition of Bass Pro, we believe the following scenario is reasonable:

1. The Dillards store closes and does not reopen.
2. The Jones Store closes during 2002.
3. The mall owners close the rest of the mall and list the property for sale.
4. Sears continues to operate their store as a stand-alone property.
5. The mall remains shuttered until alternative users are found.
6. The Benjamin Plaza area declines.

Some years pass before alternative uses are found. There can be no assurance that the mall is reopened as a retail center. If the mall is reopened as a retail center we believe that any purchaser would seek significant incentives from the City (TIF, Chap. 353, etc.).

Analysis Performed:

1. Bannister Mall 2003 sales are for Sears only.
2. The Montgomery Wards store is not reused for retail
3. Benjamin Plaza West sales decline 5% per-year
4. Benjamin Plaza East sales decline 5% per-year
5. All outlot sales decline 5% per-year
6. The mall remains shuttered, no alternate use is fount for the length of the analysis.
7. The projection is for 15 years.

			Weighted Avg. Ann. Sales / Sq. Ft.:	$ 150	1.5	$ 18,000
Location	**Total Sq. Ft.**	**Vacant**	**Open**	**Avg. Sales $ / Sq. Ft.**	**Employees Per 1,000 Sq. Ft.**	**Average Annual Wage**
Montgomery Ward	110,658	110,658	0	150	0	-
Benjamin Plaza West	117,716	13,000	104,716	150	157	2,826,000
Dillards	173,326	173,326	0	150	0	-
Jones	153,885	153,885	0	150	0	-
JC Penney	134,633	134,633	0	150	0	-
Sears	156,564		156,564	150	234	4,212,000
Bannister Mall - Small Shop	388,201	388,201	0	150	0	-
Bannister Mall - Outlots	34,417		34,417	150	51	918,000
Bannister Square	84,000	76,000	8,000	150	12	216,000
Toys R Us	67,716		67,716	150	101	1,818,000
Best Buy	37,000		37,000	150	55	990,000
Benjamin Plaza West Vacant	13,000	13,000	0	150	0	-
Benjamin Plaza East	266,693		266,693	150	400	7,200,000
Benjamin Plaza East	287,337		287,337	150	431	7,758,000
Benjamin Plaza East	18,669		18,669	150	28	504,000
Outlots East of Hillcrest	78,274		78,274	150	117	2,106,000
2003 - Base Year	2,122,089	1,062,703	1,059,386		1,586	28,548,000

				Taxes	Revenue
2003 - Base Year		Total Sales::	$158,907,900	2.25%	$3,575,428
		Total Wages:	$28,548,000	1.00%	$285,480
Total City Tax Revenue:	$ 3,860,908				

	Total	Yearly Inflation / (Deflation)	Cumulative Total
Yr. 1	$ 3,860,908		$ 3,860,908
Yr. 2	3,667,862	(5.00%)	7,528,770
Yr. 3	3,484,469	(5.00%)	11,013,239
Yr. 4	3,310,246	(5.00%)	14,323,485
Yr. 5	3,144,733	(5.00%)	17,468,219
Yr. 6	2,987,497	(5.00%)	20,455,715
Yr. 7	2,838,122	(5.00%)	23,293,837
Yr. 8	2,696,216	(5.00%)	25,990,053
Yr. 9	2,561,405	(5.00%)	28,551,458
Yr. 10	2,433,335	(5.00%)	30,984,793
Yr. 11	2,311,668	(5.00%)	33,296,461
Yr. 12	2,196,085	(5.00%)	35,492,546
Yr. 13	2,086,280	(5.00%)	37,578,826
Yr. 14	1,981,966	(5.00%)	39,560,793
Yr. 15	1,882,868	(5.00%)	41,443,661
Yr. 10 Total	$41,443,661		

Area Development Review

The following analyses were performed to test various outcomes for Benjamin Plaza / Bannister Mall area. The analysis relates to retail sales and earnings tax revenues generated. The analyses does not address the issue of property tax revenues. In general, for retailers, property taxes would increase or decease in tandem with sales activity.

Property taxes were not analyzed because most of the economic benefit to the City is derived from earnings taxes and sales taxes.

ASSUMPTION

3. The Bass Pro transaction fails, the Mall is shuttered, Benjamin Plaza Begins to Fail: "worst case" hypothesis.

Discussion: Without the repositioning of the mall through the addition of Bass Pro, we believe the following scenario is reasonable:

1. The Dillards store closes and does not reopen.
2. The Jones Store closes during 2002.
3. The mall owners close the rest of the mall and list the property for sale.
4. Sears continues to operate their store as a stand-alone property.
5. The mall remains shuttered until alternative users are found.
6. The Walmart Closes
7. The Benjamin Plaza area vacancy goes to 25% with further declines.

Some years pass before alternative uses are found. There can be no assurance that the mall is reopened as a retail center. If the mall is reopened as a retail center we believe that any purchaser would seek significant incentives from the City (TIF, Chap. 353, etc.).

Analysis Performed:

1. Bannister Mall 2003 sales are for Sears only.
2. The Montgomery Wards store is not reused for retail
3. Benjamin Plaza West sales decline 25% in first year and then 5% per-year
4. Benjamin Plaza East sales decline 25% in first year and then 5% per-year
5. The Walmart closes
6. All outlot sales decline 5% per-year
7. The mall remains shuttered until alternative users are found.
8. The projection is for 15 years.

	Weighted Avg. Ann. Sales / Sq. Ft.: $			150	2.5	$ 18,000
Location	**Total Sq. Ft.**	**Vacant**	**Open**	**Avg. Sales $ / Sq. Ft.**	**Employees Per 1,000 Sq. Ft.**	**Average Annual Wage**
Montgomery Ward	110,658	110,658	0	150	0	-
Benjamin Plaza West	117,716	39,179	78,537	150	196	3,528,000
Dillards	173,326	173,326	0	150	0	-
Jones	153,885	153,885	0	150	0	-
JC Penney	134,633	134,633	0	150	0	-
Sears	156,564		156,564	150	391	7,038,000
Bannister Mall - Small Shop	388,201	388,201	0	150	0	-
Bannister Mall - Outlots	34,417	8,604	25,813	150	64	1,152,000
Bannister Square	84,000	76,000	8,000	150	20	360,000
Toys R Us	67,716		67,716	150	169	3,042,000
Best Buy	37,000		37,000	150	92	1,656,000
Benjamin Plaza West Vacant	13,000	13,000	0	150	0	-
Benjamin Plaza East	266,693	266,693	0	150	0	-
Benjamin Plaza East	287,337	71,834	215,503	150	538	9,684,000
Benjamin Plaza East	18,669	4,667	14,002	150	35	630,000
Outlots East of Hillcrest	78,274	19,569	58,706	150	146	2,628,000
2003 - Base Year	2,122,089	1,460,249	661,840		1,651	29,718,000

2003 - Base Year		Taxes	Revenue
Total Sales:	$99,275,963	2.25%	$2,233,709
Total Wages:	$29,718,000	1.00%	$297,180

Total City Tax Revenue: $ 2,530,889

	Total	Yearly Inflation / (Deflation)	Cummulative Total
Yr. 1	$ 2,530,889		$ 2,530,889
Yr. 2	2,404,345	(5.00%)	4,935,234
Yr. 3	2,284,127	(5.00%)	7,219,361
Yr. 4	2,169,921	(5.00%)	9,389,282
Yr. 5	2,061,425	(5.00%)	11,450,707
Yr. 6	1,958,354	(5.00%)	13,409,061
Yr. 7	1,860,436	(5.00%)	15,269,497
Yr. 8	1,767,414	(5.00%)	17,036,912
Yr. 9	1,679,044	(5.00%)	18,715,955
Yr. 10	1,595,091	(5.00%)	20,311,047
Yr. 11	1,515,337	(5.00%)	21,826,383
Yr. 12	1,439,570	(5.00%)	23,265,953
Yr. 13	1,367,591	(5.00%)	24,633,545
Yr. 14	1,299,212	(5.00%)	25,932,757
Yr. 15	1,234,251	(5.00%)	27,167,008
Yr. 10 Total	$ 27,167,008		

Area Development Review

The following analyses were performed to test various outcomes for Benjamin Plaza / Bannister Mall area. The analysis relates to retail sales and earnings tax revenues generated. The analyses does not address the issue of property tax revenues. In general, for retailers, property taxes would increase or decease in tandem with sales activity.

Property taxes were not analyzed because most of the economic benefit to the City is derived from earnings taxes and sales taxes.

ASSUMPTION

4. The Bass Pro transaction is completed, the Mall is repositioned, the area improves: "best case" hypothesis.

Discussion: Without the repositioning of the mall through the addition of Bass Pro, we believe the following scenario is reasonable:

1. The Dillards store reopens in 2003.
2. The Jones Store stays open.
3. The mall is repositioned.
4. Sears continues to operate their store.
5. The Benjamin Plaza area gets stronger.

Retail Sales
Impact segment
— make sure I get a copy

Analysis Performed:

1. Bannister Mall is repositioned for 2003.
2. The Montgomery Wards store is reused for retail
3. Benjamin Plaza West sales increase 2% per-year
4. Benjamin Plaza East sales increase 2% per-year
5. All outlot sales increase 2% per-year
6. The projection is for 15 years.

		Weighted Avg. Ann. Sales / Sq. Ft.: $ 160			2.5	$ 18,000
Location	**Total Sq. Ft.**	**Vacant**	**Open**	**Avg. Sales $ / Sq. Ft.**	**Employees Per 1,000 Sq. Ft.**	**Average Annual Wage**
Montgomery Ward	110,658		110,658	150	276	4,968,000
Benjamin Plaza West	117,716		117,716	150	294	5,292,000
Dillards	173,326		173,326	150	433	7,794,000
Jones	153,885		153,885	150	384	6,912,000
Bass Pro	130,000		130,000	300	325	5,850,000
Sears	156,564		156,564	150	391	7,038,000
Bannister Mall - Small Shop	300,000	15,000	285,000	150	712	12,816,000
Bannister Mall - Outlots	34,417		34,417	150	86	1,548,000
Bannister Square	84,000	84,000	0	150	0	-
Toys R Us	67,716		67,716	150	169	3,042,000
Best Buy	37,000		37,000	150	92	1,656,000
Benjamin Plaza West Vacant	13,000	13,000	0	150	0	-
Benjamin Plaza East	266,693		266,693	150	666	11,988,000
Benjamin Plaza East	287,337		287,337	150	718	12,924,000
Benjamin Plaza East	18,669		18,669	150	46	828,000
Outlots East of Hillcrest	78,274		78,274	150	195	3,510,000
2003 - Base Year	2,029,255	112,000	1,917,255		4,787	86,166,000

			Taxes	Revenue
2003 - Base Year	Total Sales::	$307,088,250	2.25%	$6,909,486
	Total Wages:	$86,166,000	1.00%	$861,660

Currently
$100-120 sqft sales

Total City Tax Revenue: $ 7,771,146

	Total	Yearly Inflation / (Deflation)	(TIF Payments)	Revenue Available	Cumulative Total
Yr. 1	$ 7,771,146		($2,000,000)	$ 5,771,146	$ -
Yr. 2	7,926,569	2%	(2,000,000)	5,926,569	11,697,714
Yr. 3	8,085,100	2%	(2,000,000)	6,085,100	17,782,814
Yr. 4	8,246,802	2%	(2,000,000)	6,246,802	24,029,616
Yr. 5	8,411,738	2%	(2,000,000)	6,411,738	30,441,354
Yr. 6	8,579,973	2%	(2,000,000)	6,579,973	37,021,327
Yr. 7	8,751,572	2%	(2,000,000)	6,751,572	43,772,899
Yr. 8	8,926,604	2%	(2,000,000)	6,926,604	50,699,502
Yr. 9	9,105,136	2%	(2,000,000)	7,105,136	57,804,638
Yr. 10	9,287,238	2%	(2,000,000)	7,287,238	65,091,876
Yr. 11	9,472,983	2%	(2,000,000)	7,472,983	72,564,860
Yr. 12	9,662,443	2%	(2,000,000)	7,662,443	80,227,302
Yr. 13	9,855,692	2%	(2,000,000)	7,855,692	88,082,994
Yr. 14	10,052,806	2%	(2,000,000)	8,052,806	96,135,800
Yr. 15	10,253,862	2%	(2,000,000)	8,253,862	104,389,661
Yr. 10 Total	$134,389,661		($30,000,000)	$104,389,661	

EXHIBIT 10

EXISTING CONDITIONS STUDY
(BLIGHT STUDY)

Blight Study

For the

Three Trails Center

Tax Increment Financing Area

Prepared by the
Economic Development Corporation
of Kansas City Missouri

Introduction:

In order for the Tax Increment Financing Commission to recommend the approval of a TIF district there must be a finding of blight for the area. The state TIF statute defines blight as the following:

> 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 cause, 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.

This study is intended to examine the area with regard to whether it has a blighting influence for the City of Kansas City as defined in the above statute.

Location:

The area examined is illustrated in the attached Map 1. The boundaries are East 87th on the North, Hillcrest Road on the East, and Interstate Highway 435 on the West. The southern boundary is East Bannister Road except it will move further South to include Bannister Square. This area is south of Bannister Road and between Marion Road and Interstate Highway 435.

The properties in this area include:

1. Bannister Square – The shopping area located south of Bannister Road and east of Marion Road.

2. The outlots surrounding Bannister Mall which front on Bannister and Hillcrest Road. These lots include a recently vacated bank building at the corner of Bannister Road and Hillcrest and various restaurant and small businesses.

3. Benjamin Plaza West - The strip mall located to the North of Bannister Mall and West of Hillcrest.

4. The former Montgomery Ward site – The vacant building that formerly housed Montgomery Ward and the adjacent vacant auto repair building.

5. The Hotel property on the northern edge of the area, fronting on East 87th Street.

By virtue of the street layout and platting these properties constitute a discernible area and have an influence on each other's value. This blight study will examine these properties as parts of one definable area.

Findings:

An examination of parcels surrounding Bannister Mall provides ample evidence that a situation of blight exists, as defined by the TIF statute.

I. Existence of insanitary or unsafe conditions

There are many examples of insanitary or unsafe conditions in the Bannister Mall area. These include unsafe pavement that has deteriorated and poses a hazard, illegal dumping of trash, trash and debris that is strewn about the area. The pictures attached document numerous instances of insanitary and unsafe conditions.

II. Deterioration of site improvements

The aging of the mall area has resulted in some serious deterioration of site improvements. This includes the previously mentioned deterioration of pavement and parking areas. There is also deterioration of the landscaping improvements in the area. There are many vacant structures in the defined area and the landscaping around these buildings seems to be in the worst condition. The pictures attached illustrate examples of the deterioration of site improvements.

III. The existence of conditions which endanger life or property by fire and other cause

The area currently has a vacancy rate of 44%. This high level of vacancy increases the risk of fire or other damage to the vacant structures.

IV. Economic or social liability

The area around Bannister has become an economic liability for the City of Kansas City. As stated earlier the area has a vacancy rate of 44%. This is indicative of the downward trend of the area and has the possibility of negatively influencing existing retailers and decreasing their revenue.

The factors above are illustrated in the following pictures and serve to prove that a situation of blight exists in the study area.

Bannister Square

Figure 1: Vacant Storefront Located in Bannister Square with pavement deterioration in parking area.

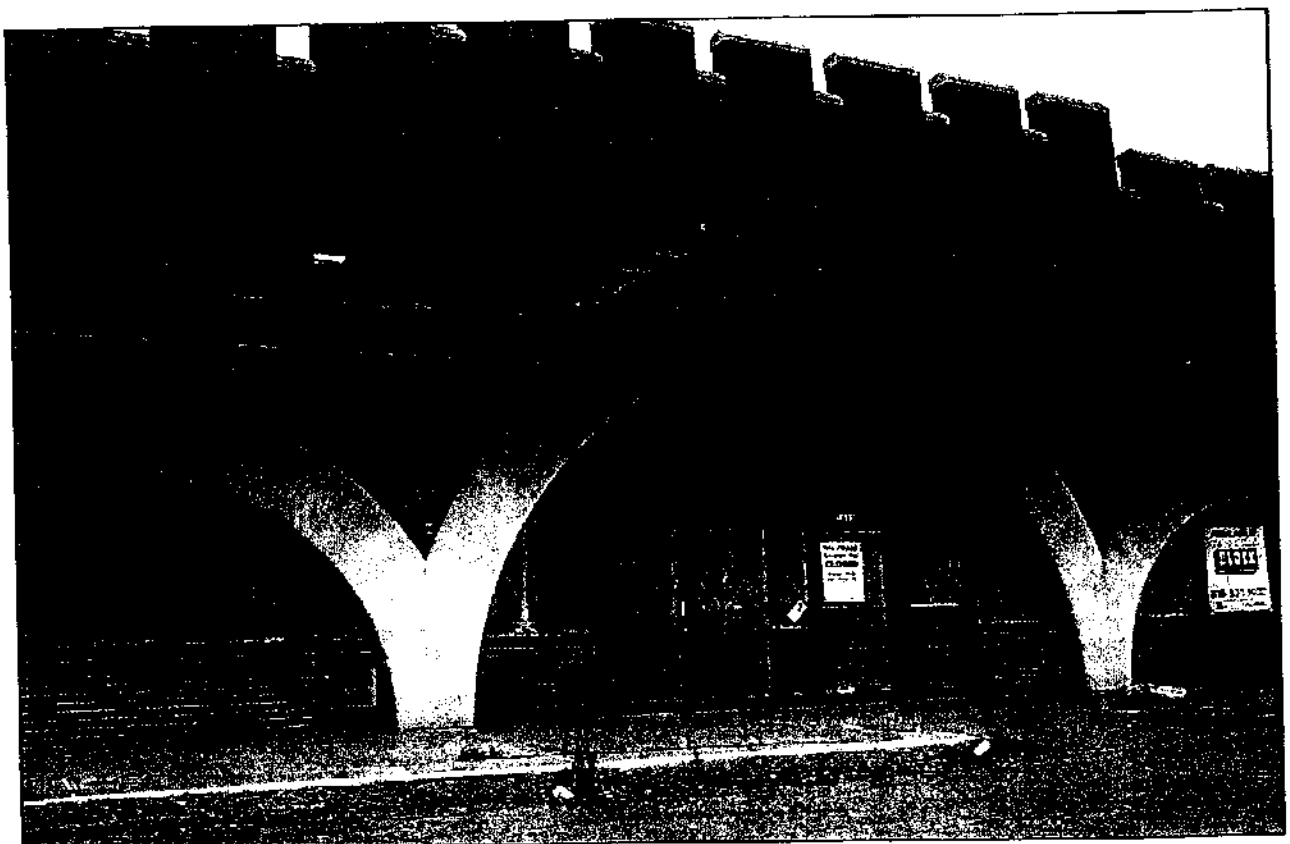

Figure 2: Vacant Movie Theater in Bannister Square in state of disrepair.

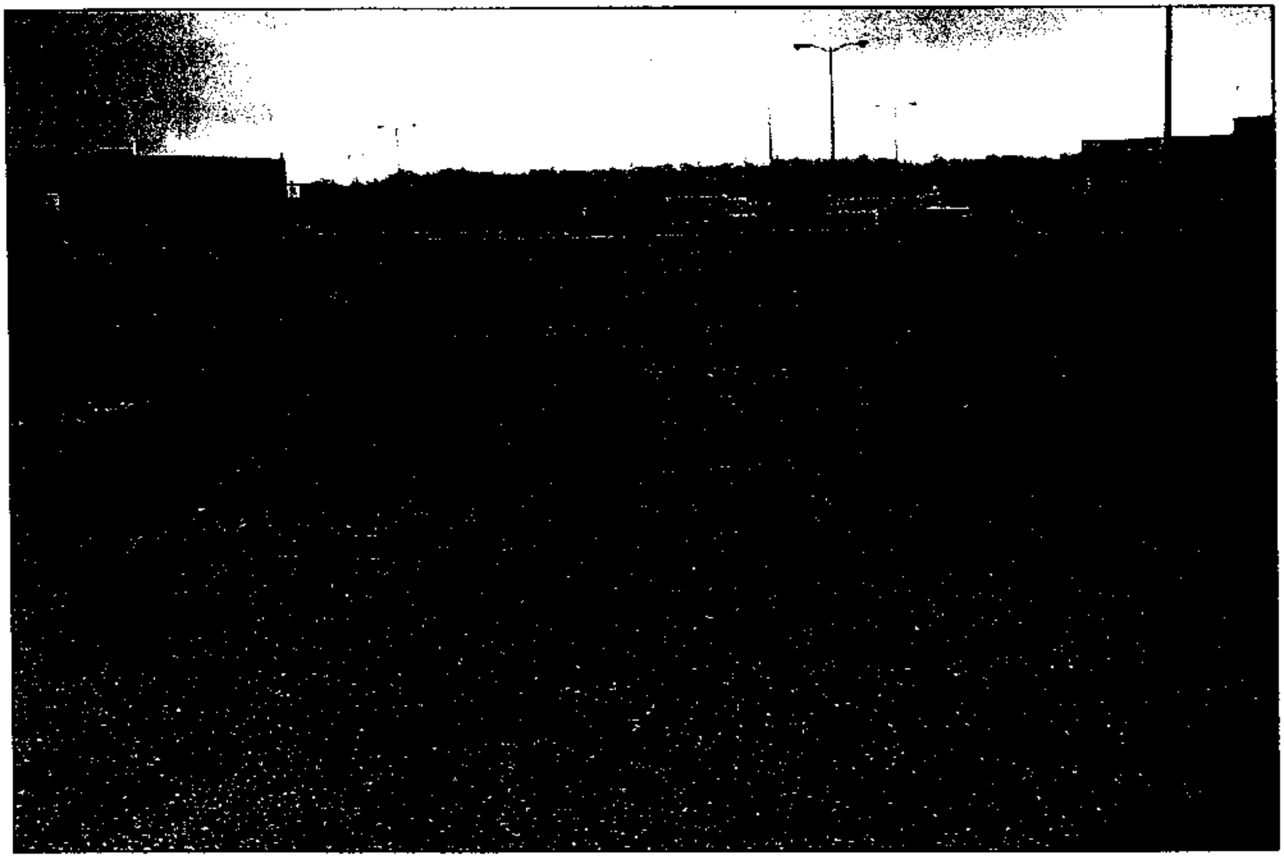

Figure 3: Pavement and Landscape deterioration in Bannister Square.

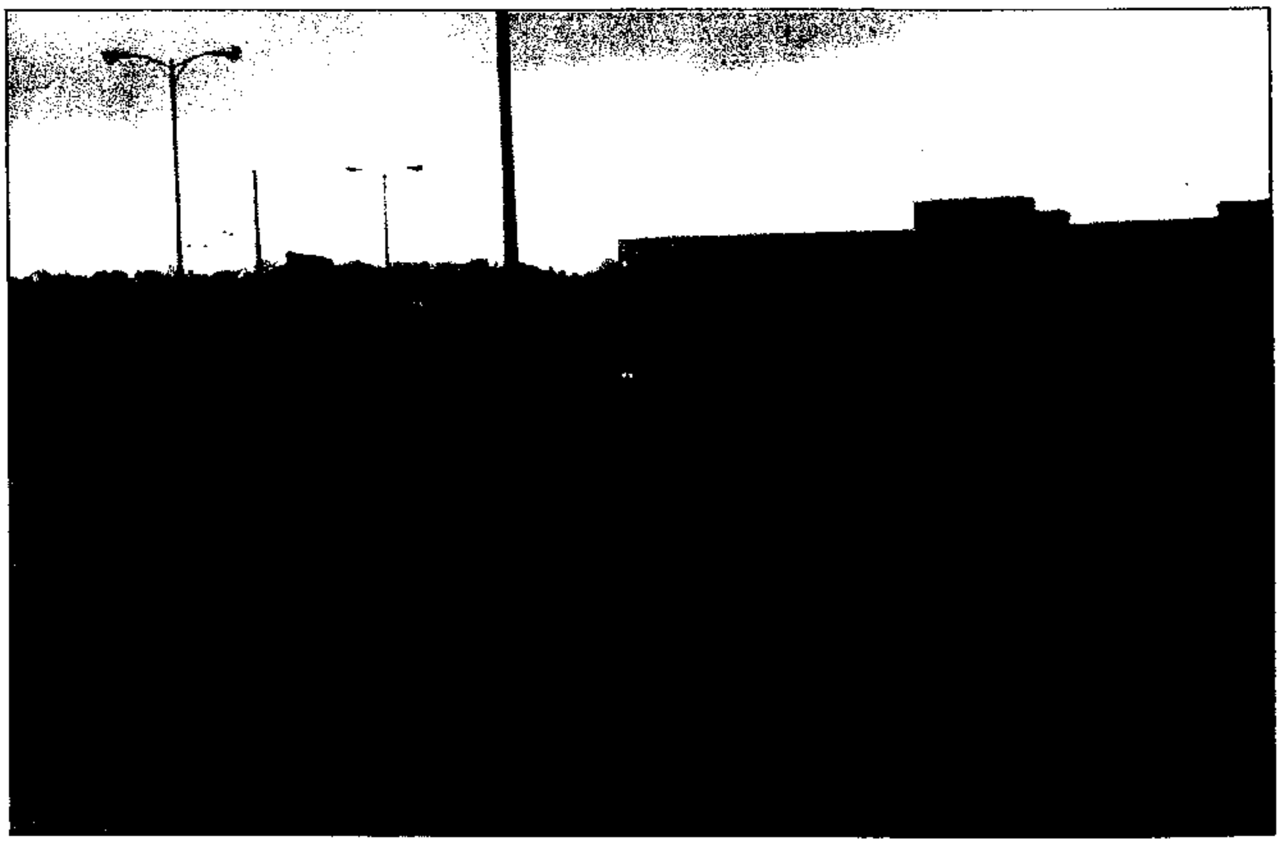

Figure 4: Pavement damage and illegal dumping in Bannister Square.

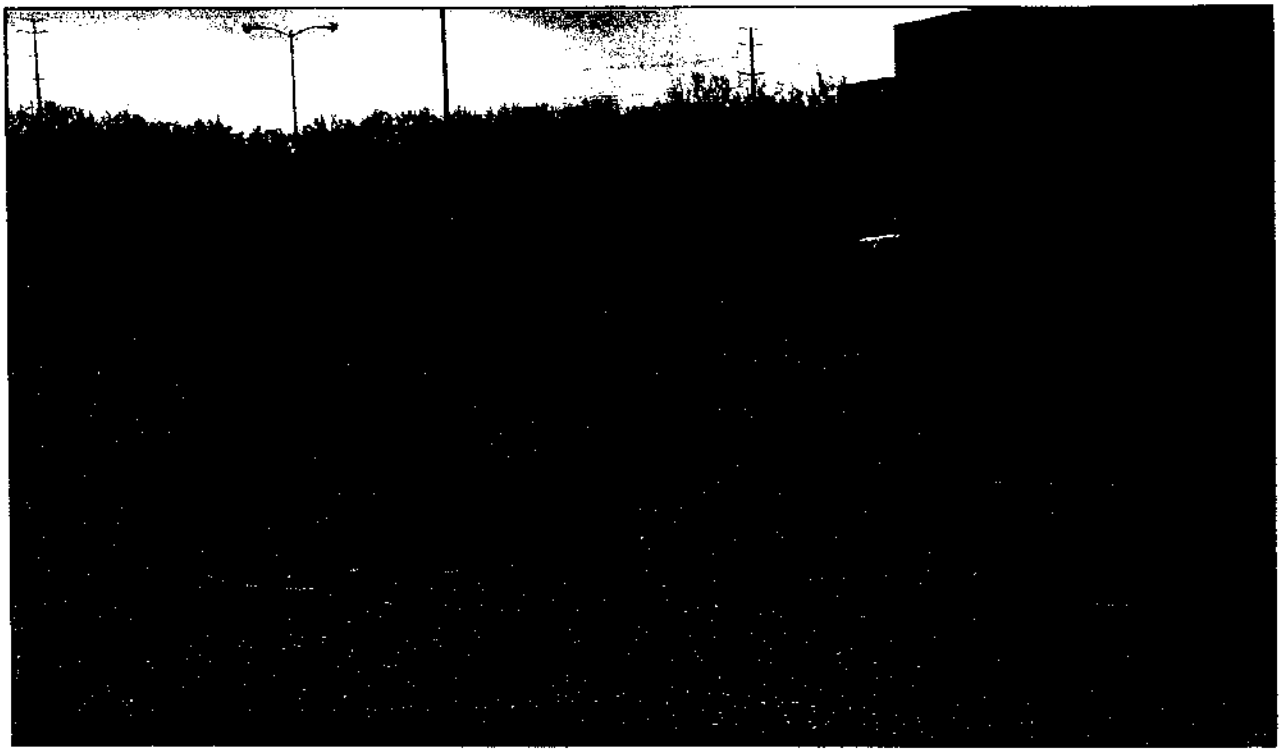

Figure 5: Potholes in Bannister Square Parking Lot.

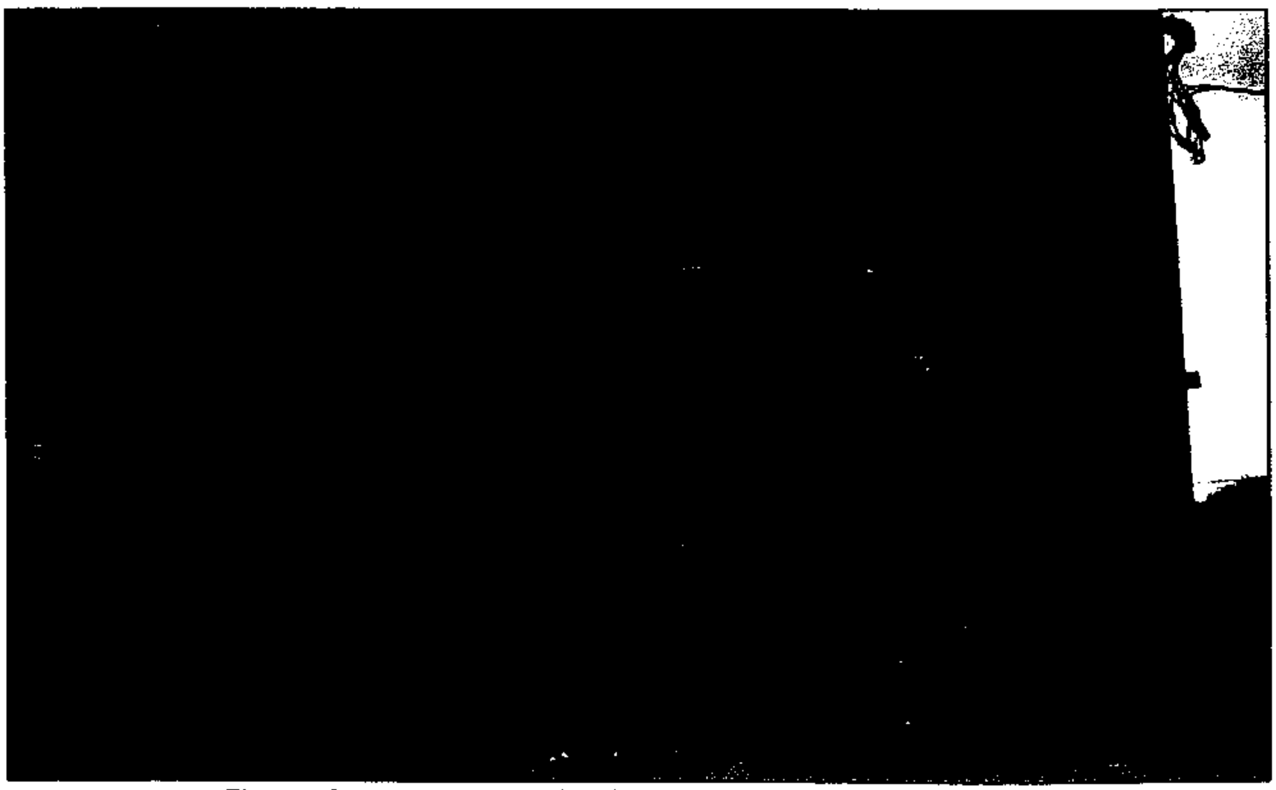

Figure 6: Deteriorating loading docks at Bannister Square.

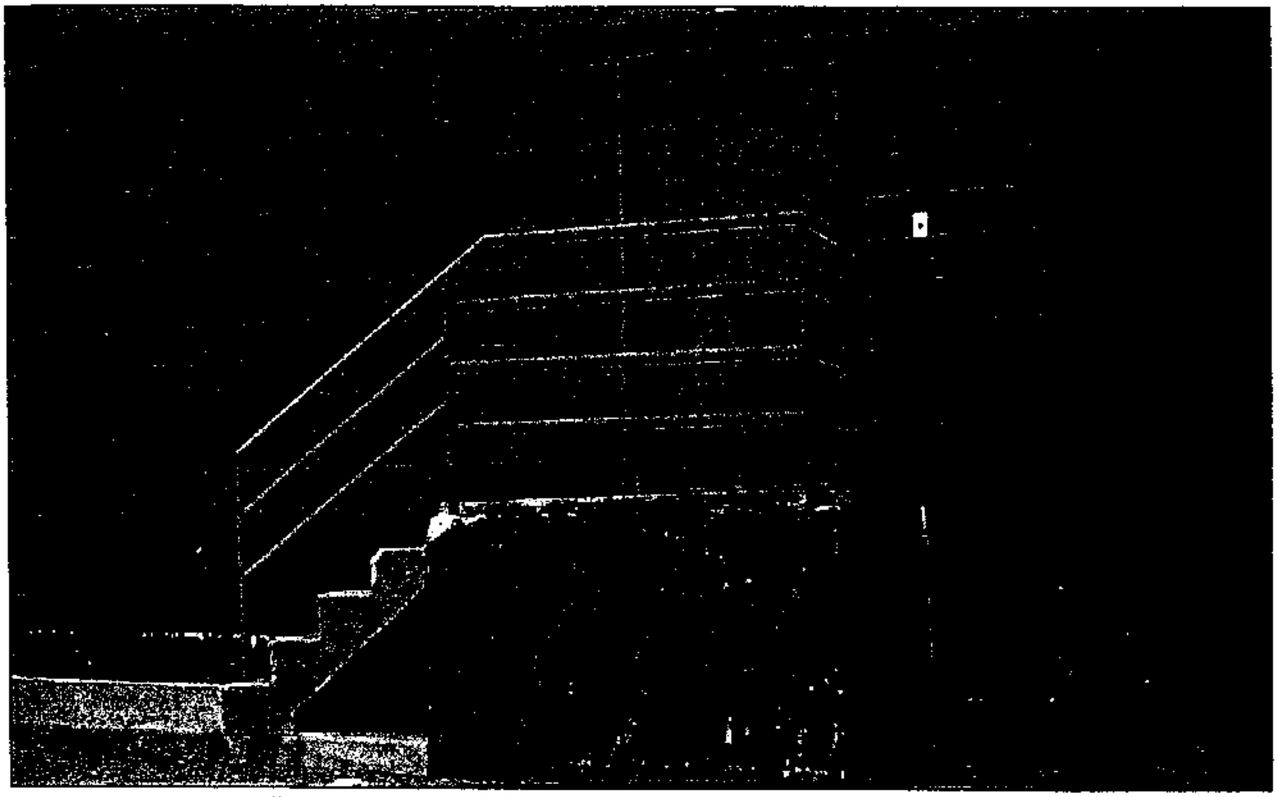

Figure 7: Deteriorating entrance at Bannister Square.

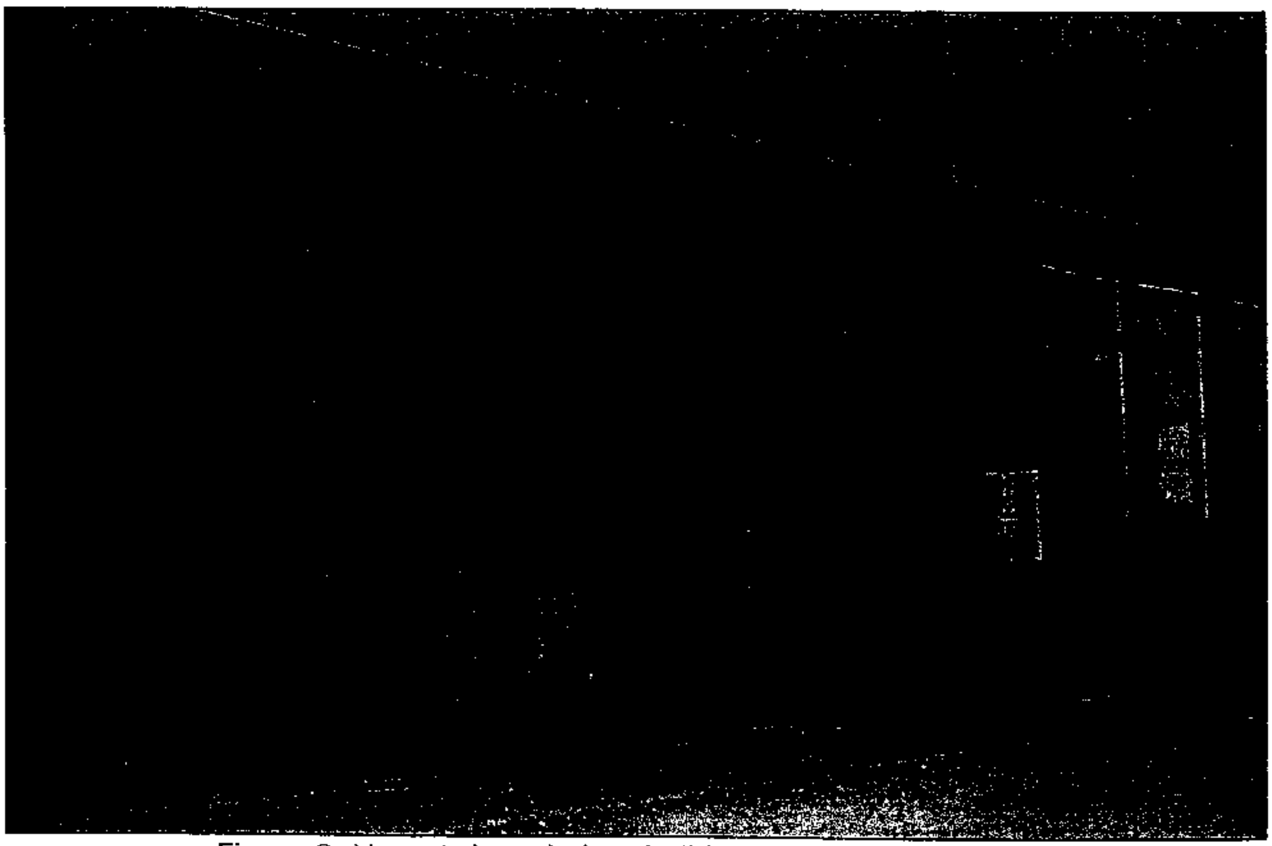

Figure 8: Vacant, boarded up building in Bannister Square.

Figure 9: Illegal dumping at Bannister Square.

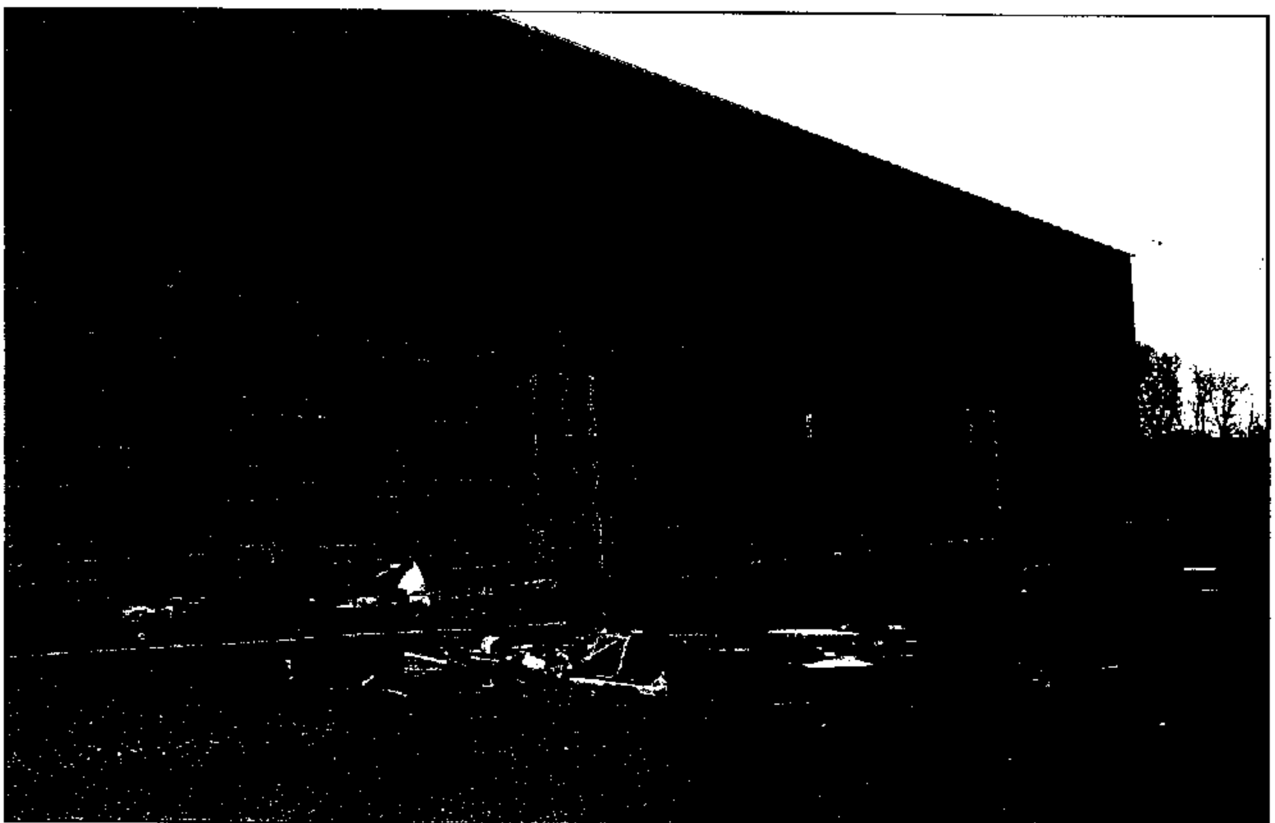

Figure 10: Illegal dumping at Bannister Square.

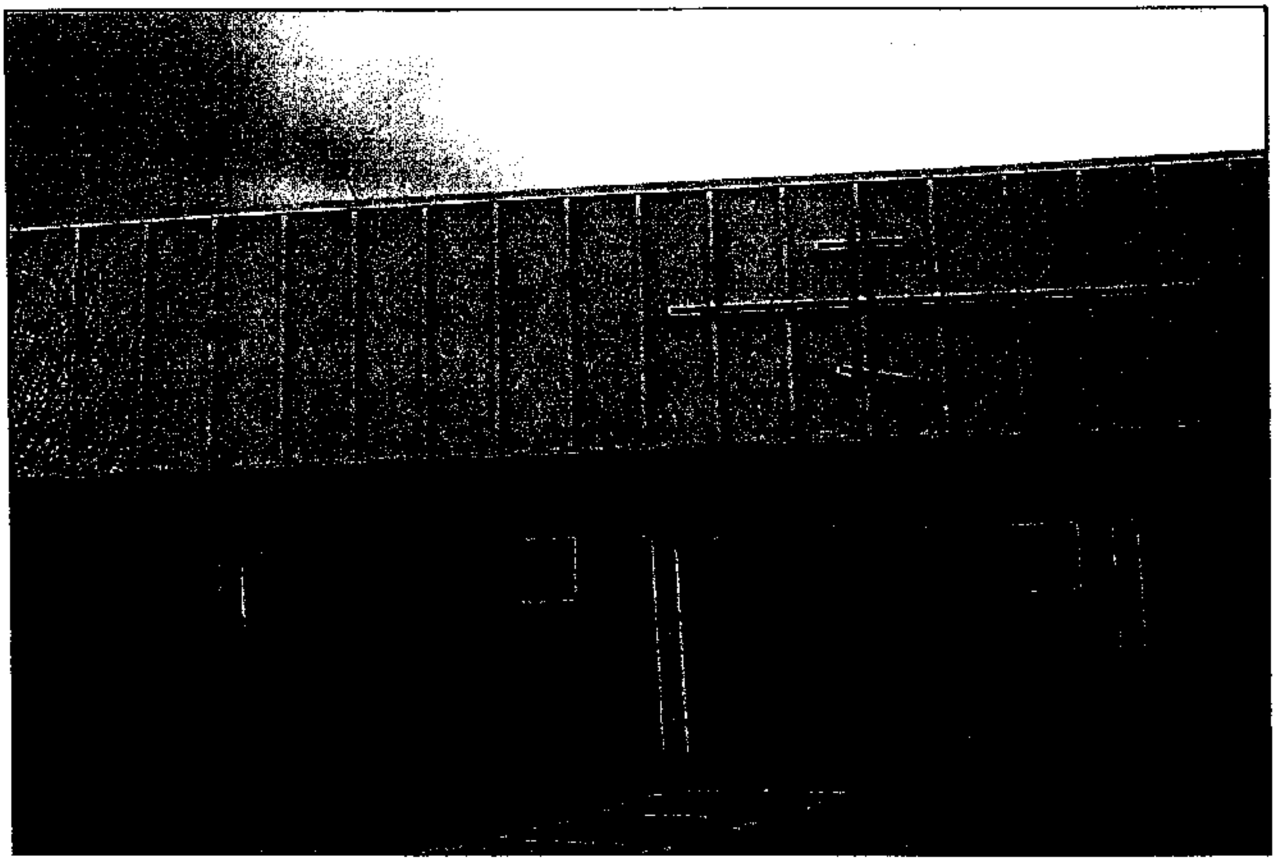

Figure 11: Vacant restaurant site at Bannister Square

Bannister Mall Outlots

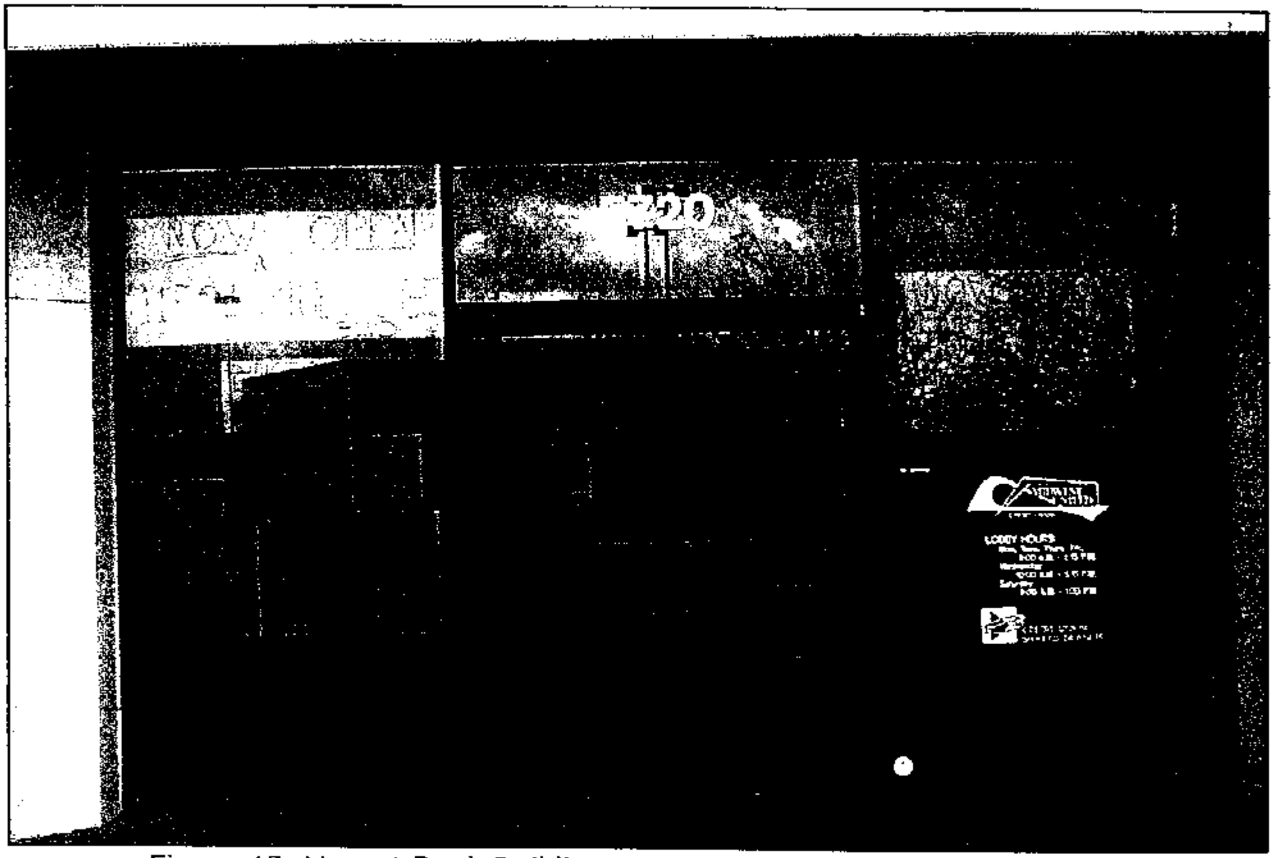

Figure 12: Vacant Bank Building on corner of Bannister and Hillcrest.

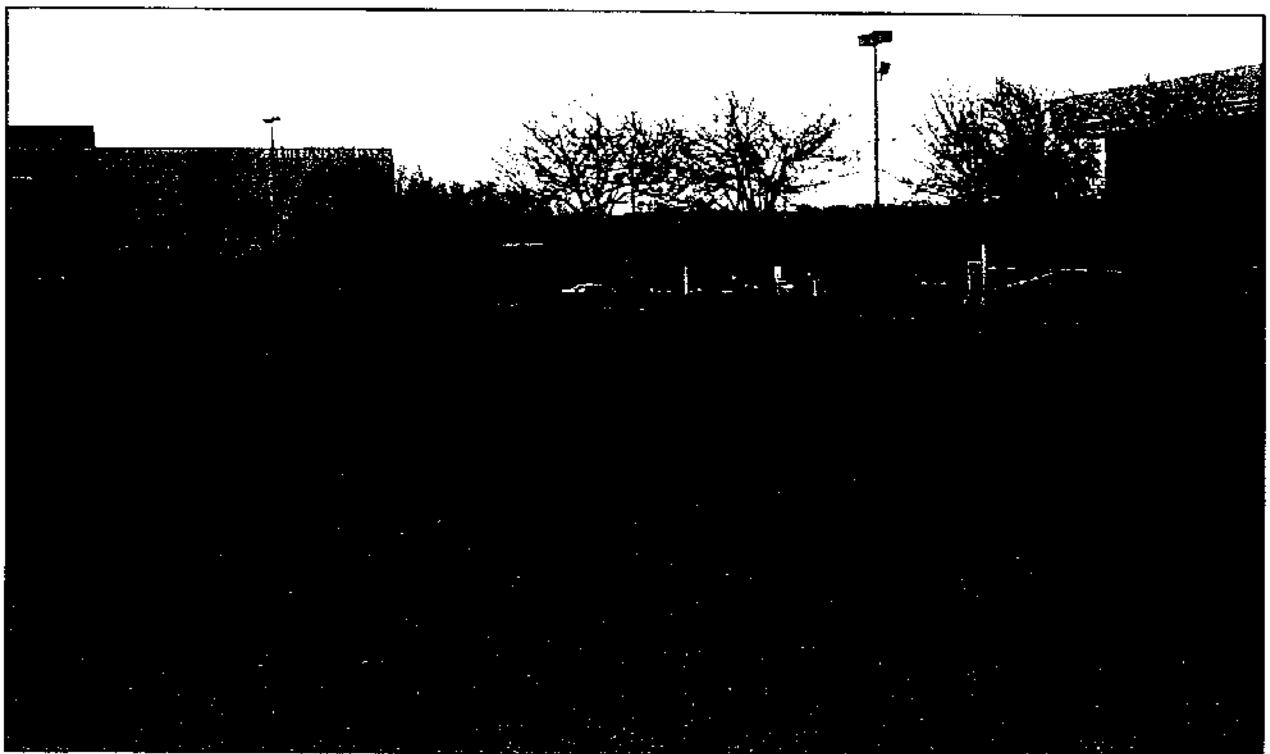

Figure 13: Pothole in Bank Building parking lot.

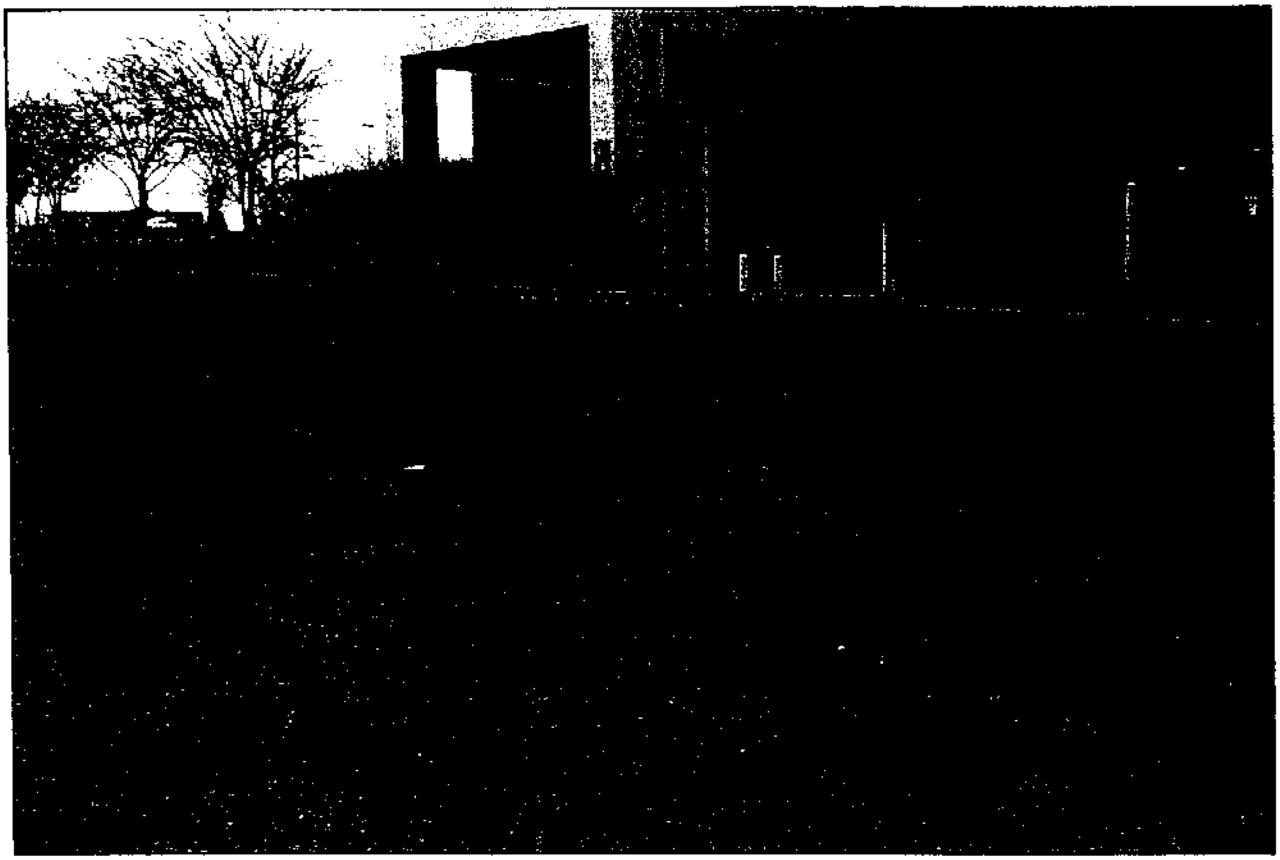

Figure 13: Potholes in Bank Building parking lot.

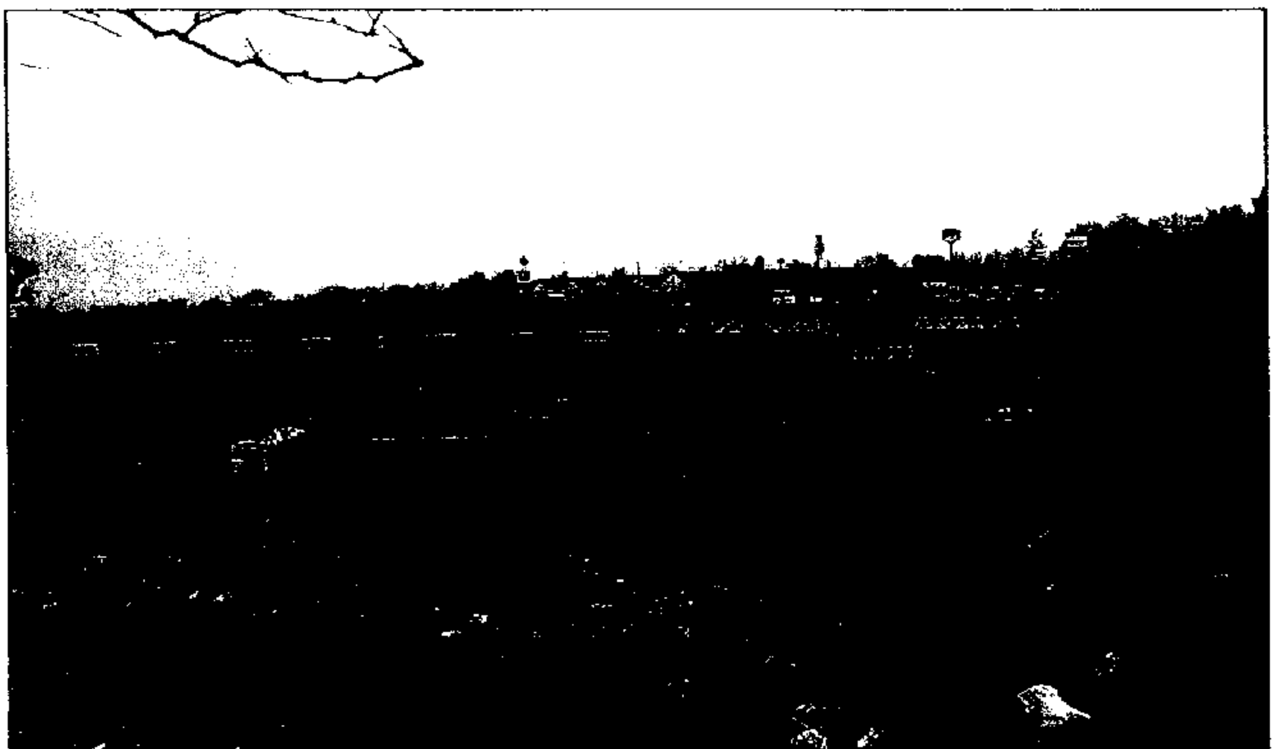

Figure 14: Trash and debris on Bannister Mall Outlots.

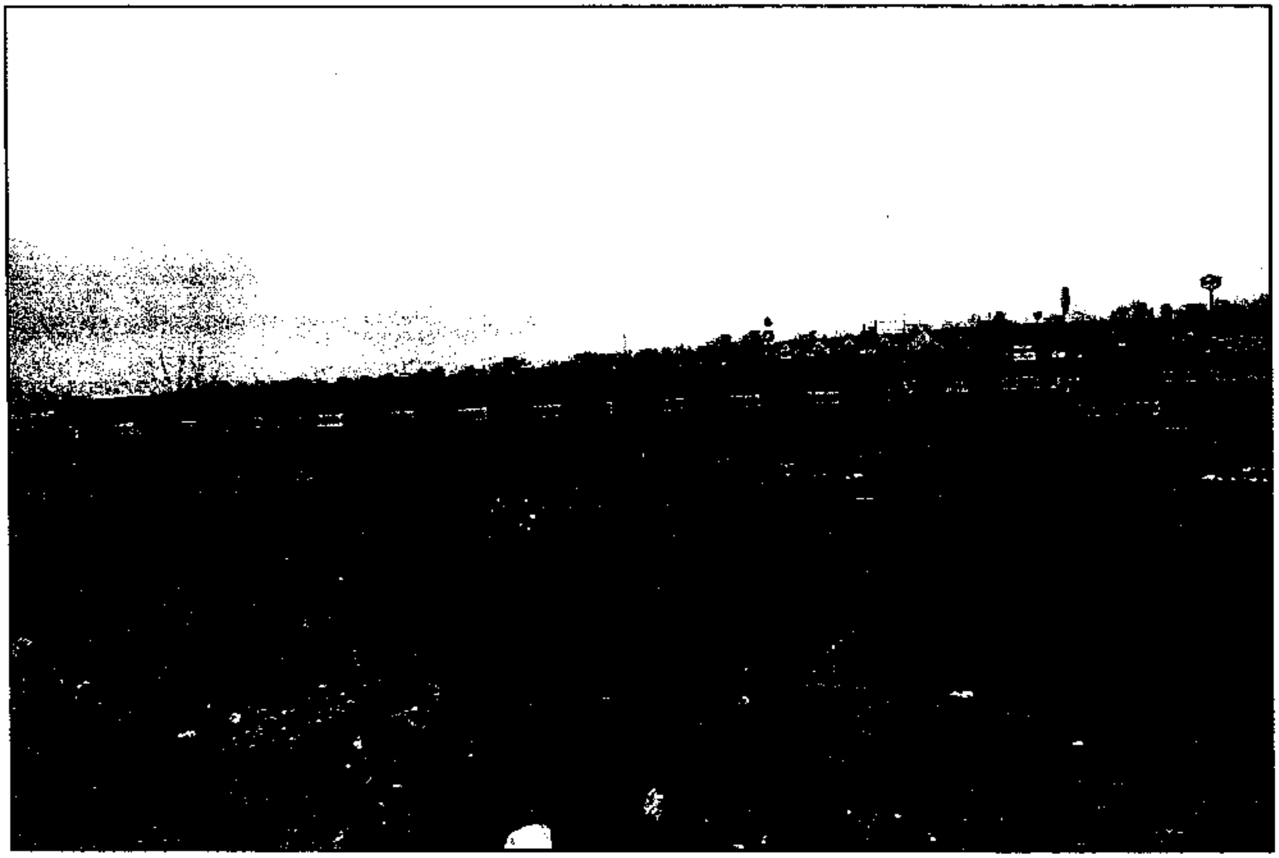

Figure 15: Trash and debris on Bannister Mall Outlots.

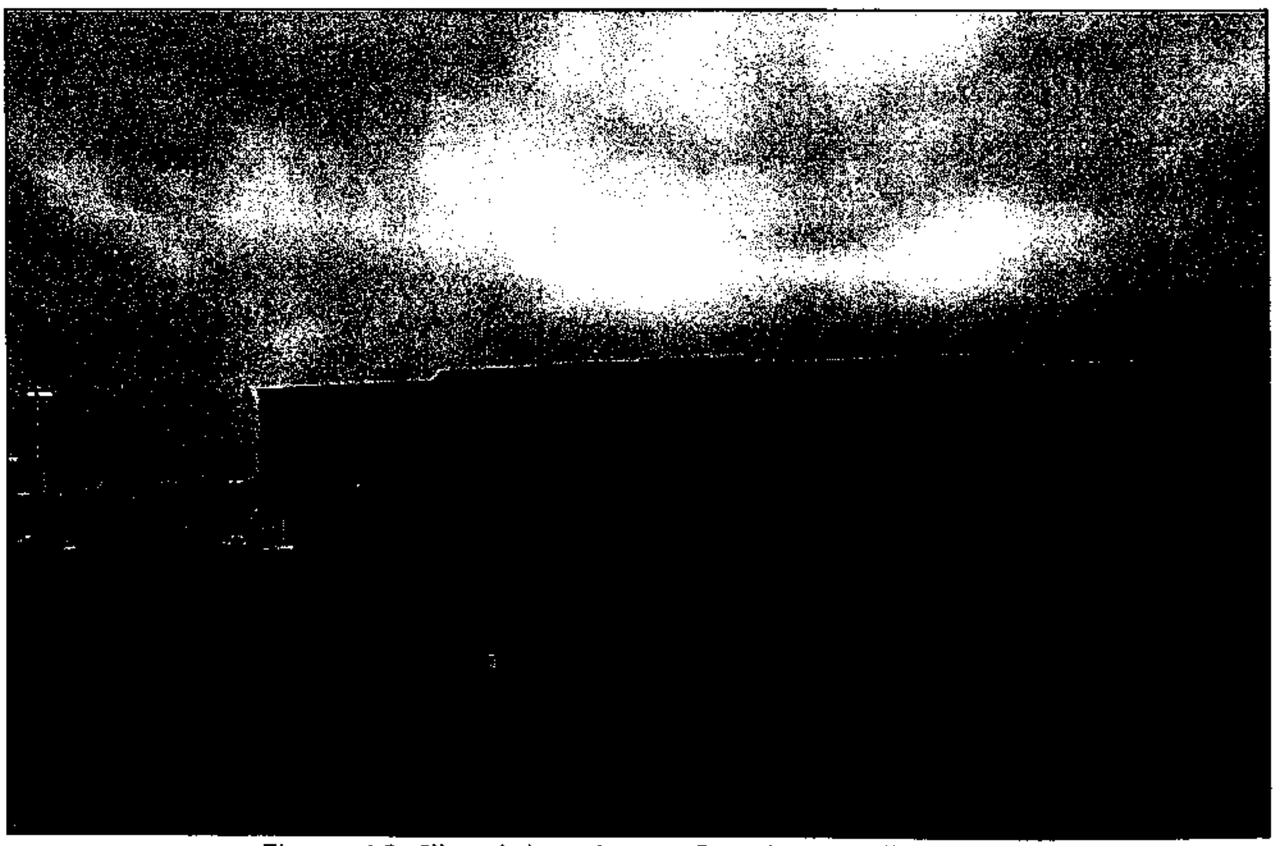

Figure 16: Illegal dumping on Bannister Mall Outlots.

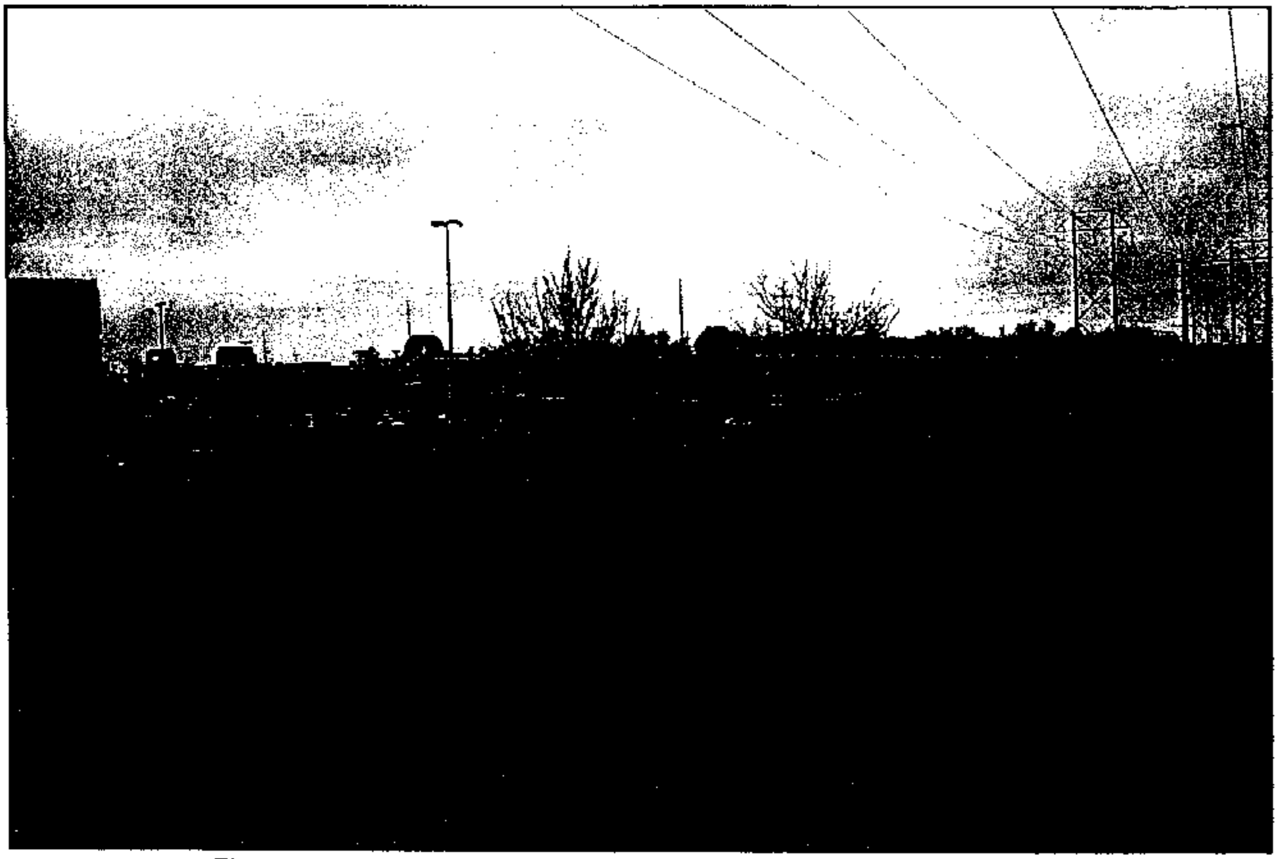

Figure 17: Pavement deterioration in Bannister Mall Outlots.

Figure 18: Pavement deterioration in Bannister Mall Outlots.

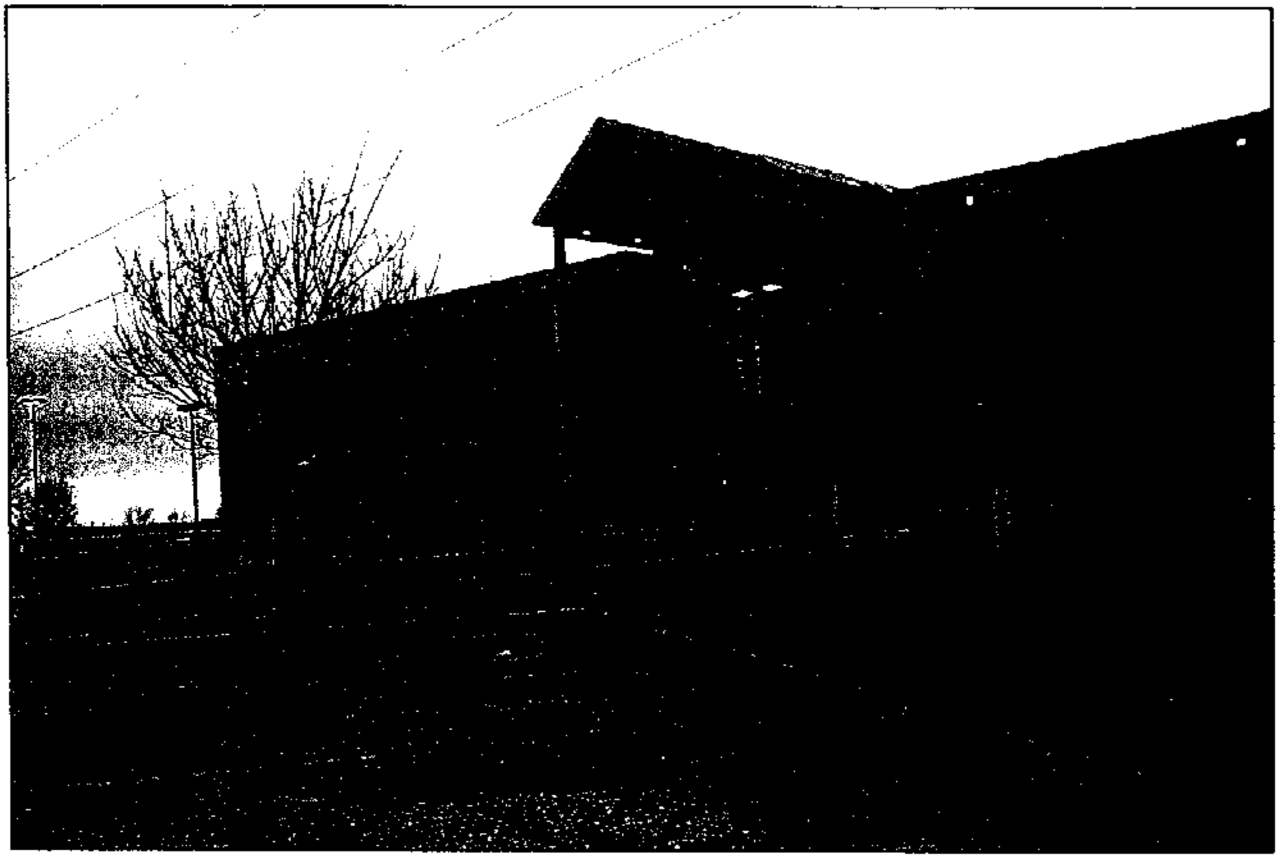

Figure 19: Pavement deterioration in Bannister Mall Outlots.

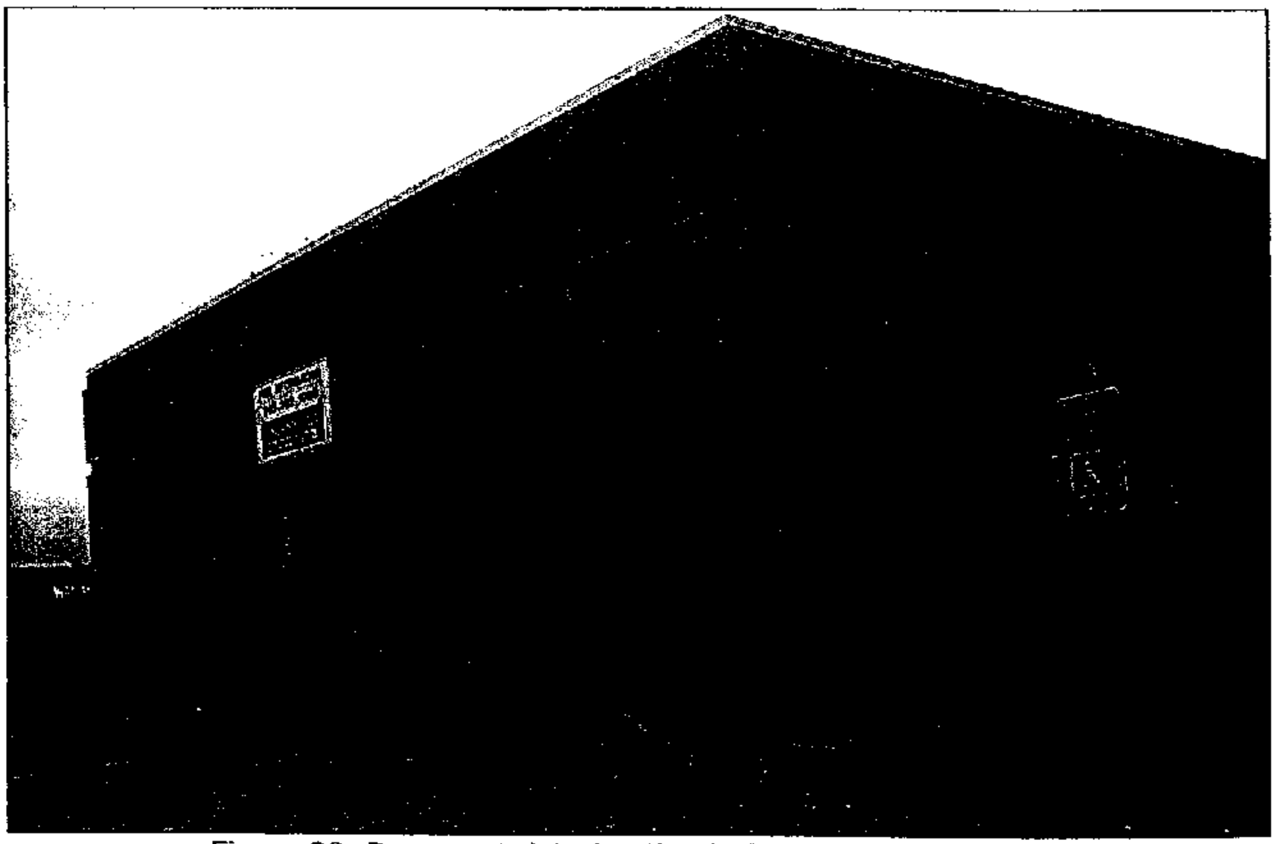

Figure 20: Pavement deterioration in Bannister Mall Outlots.

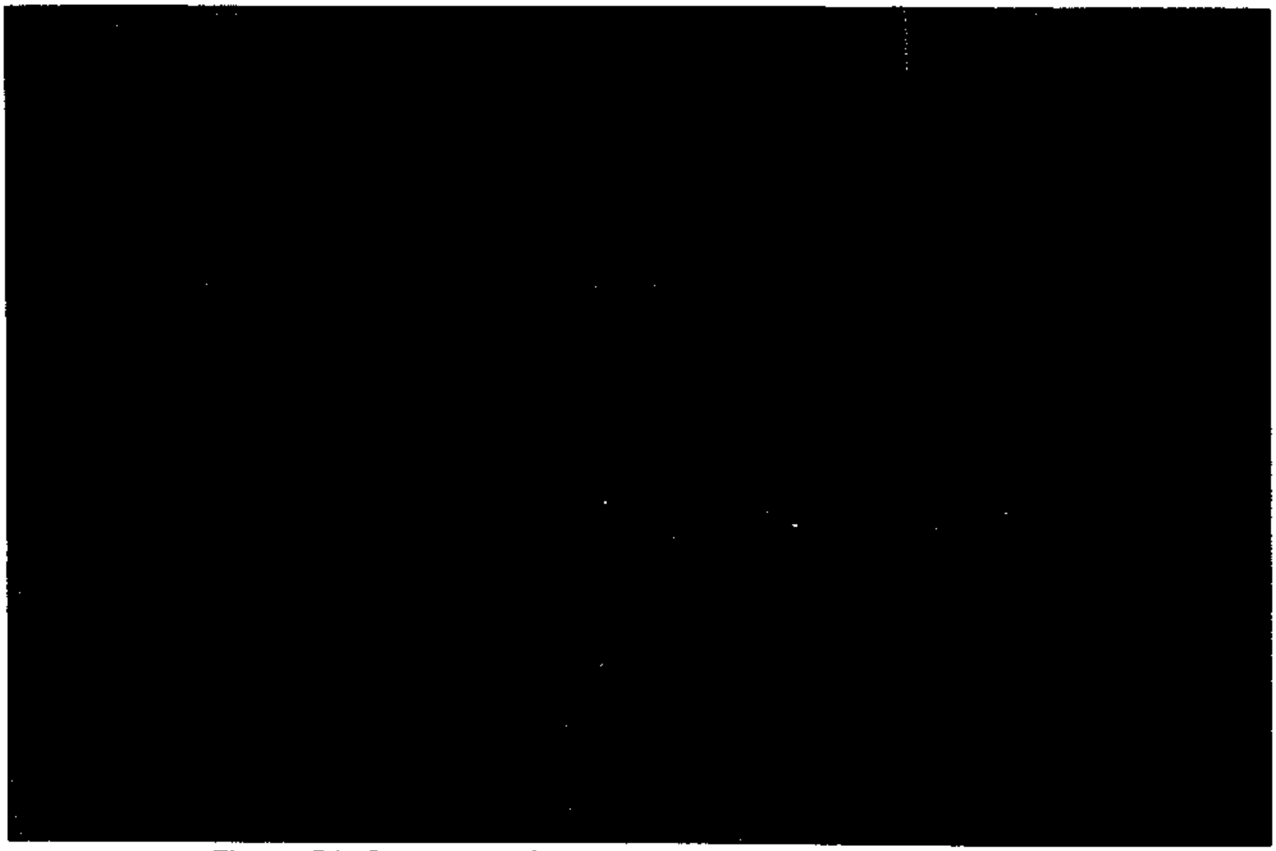

Figure 21: Pavement deterioration in Bannister Mall Outlots.

Benjamin Plaza West

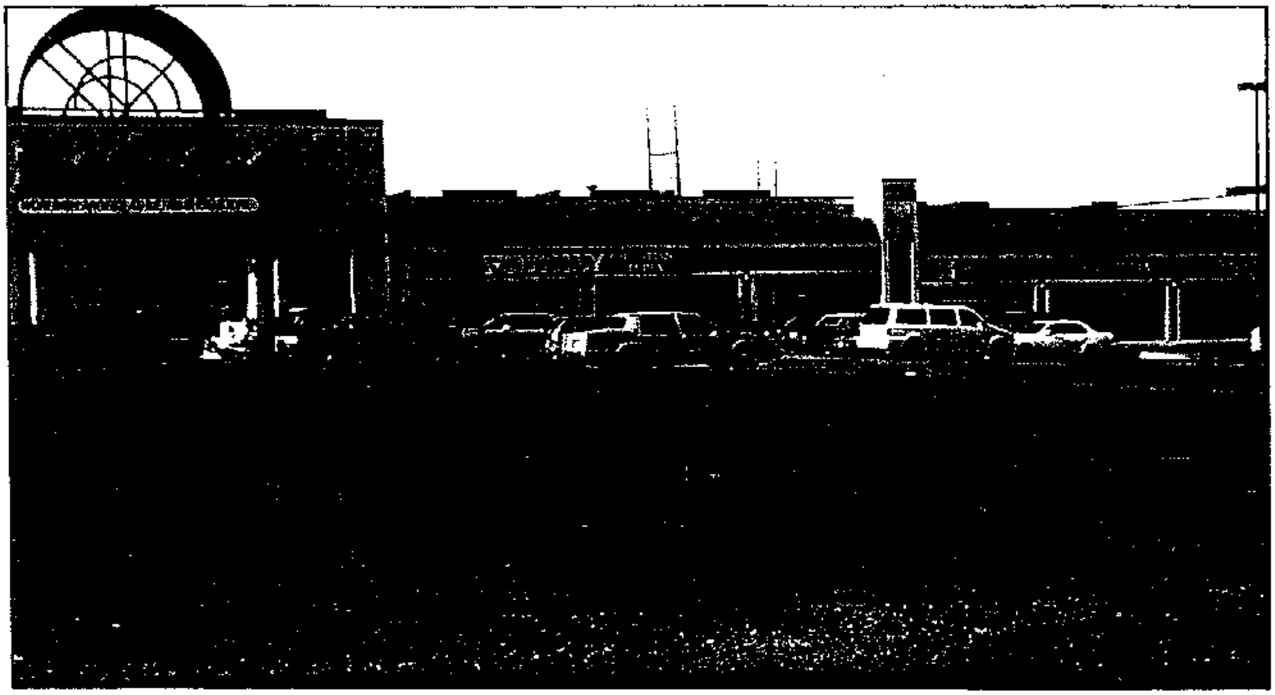

Figure 22: Pavement deterioration in Benjamin Plaza West.

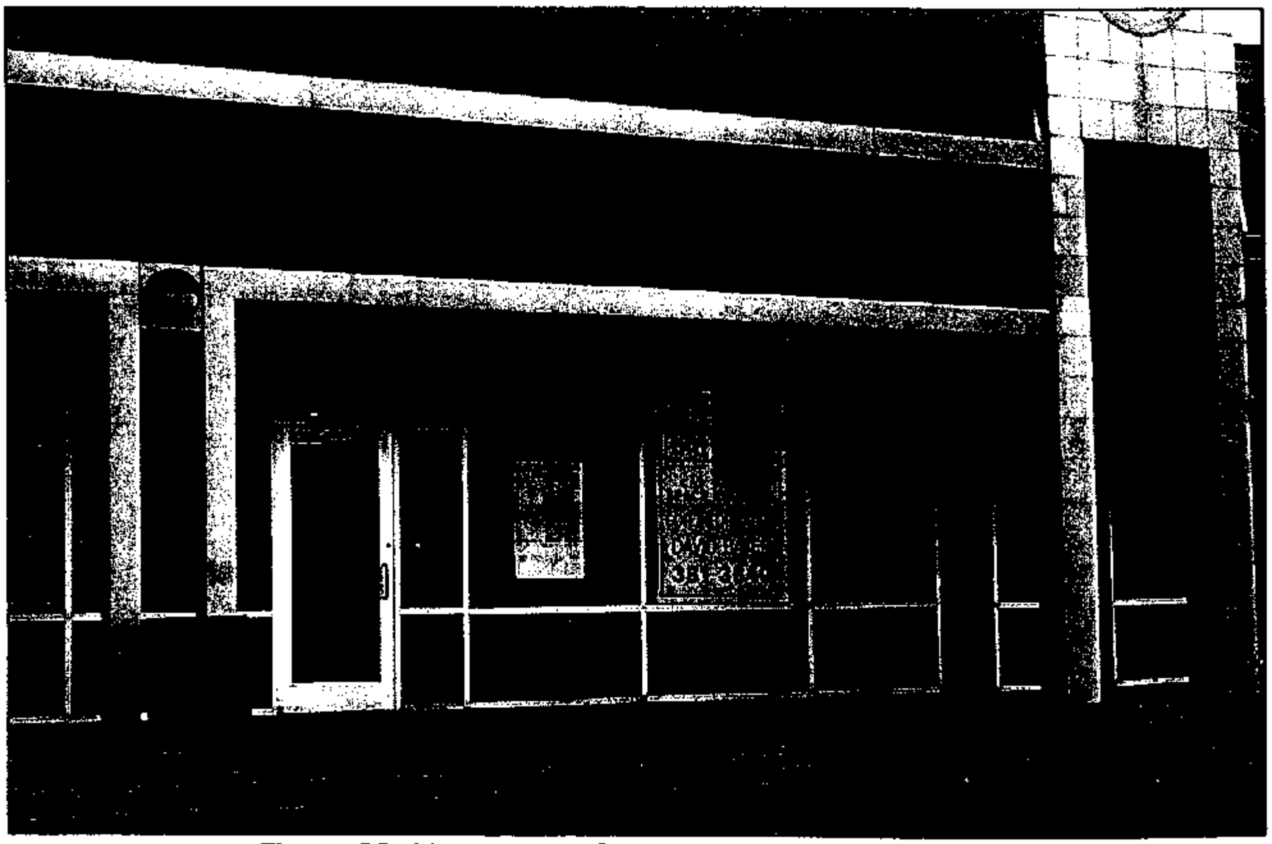

Figure 23: Vacant storefront in Benjamin Plaza West.

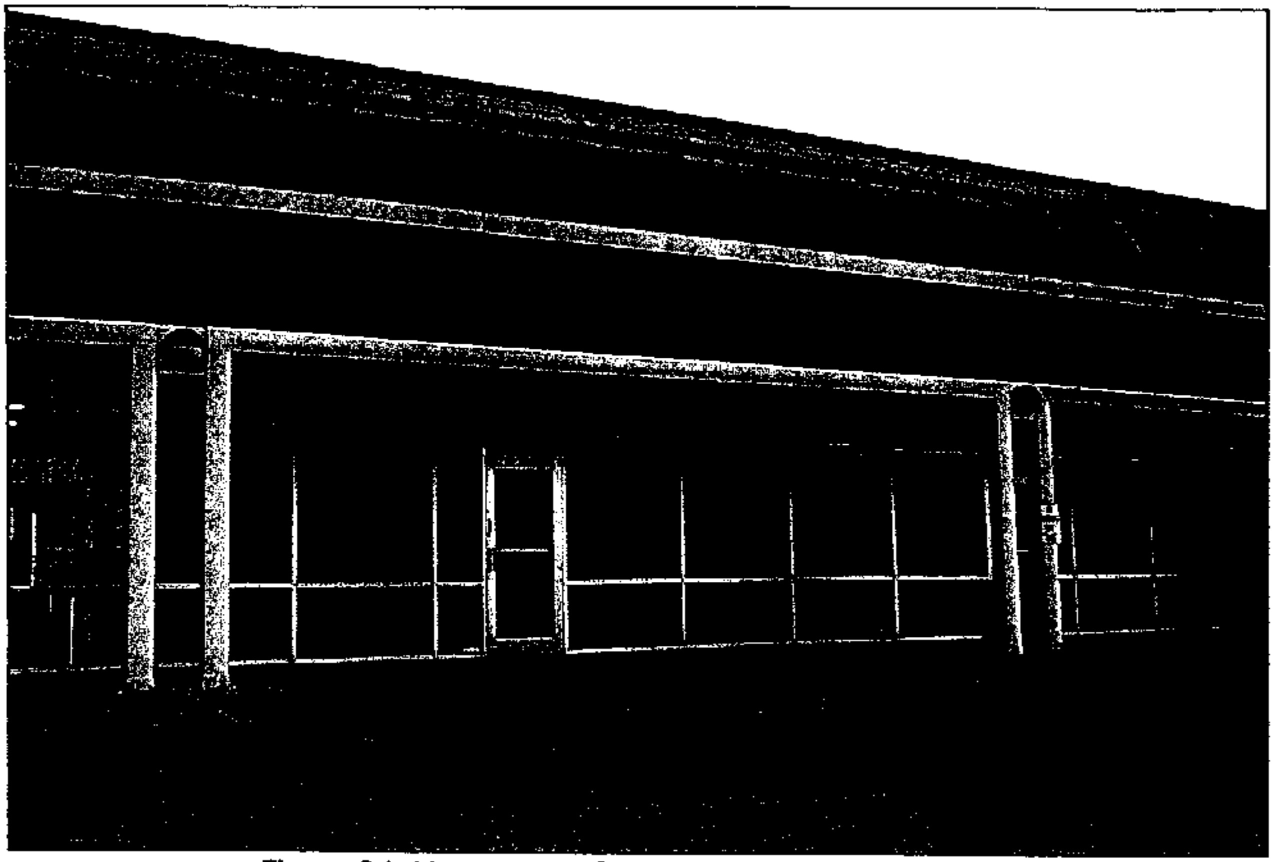

Figure 24: Vacant storefront in Benjamin Plaza West.

Hotel Property

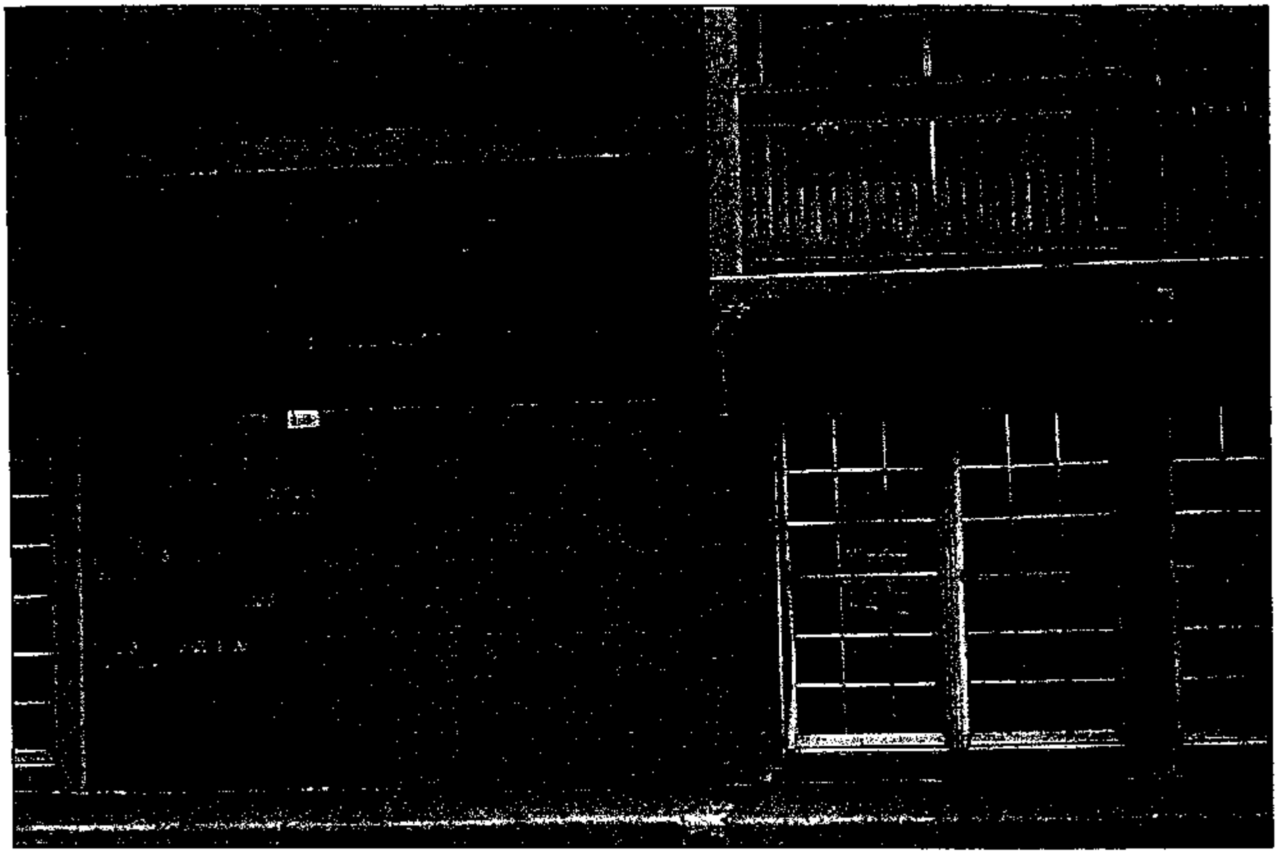

Figure 25: Hotel property in disrepair.

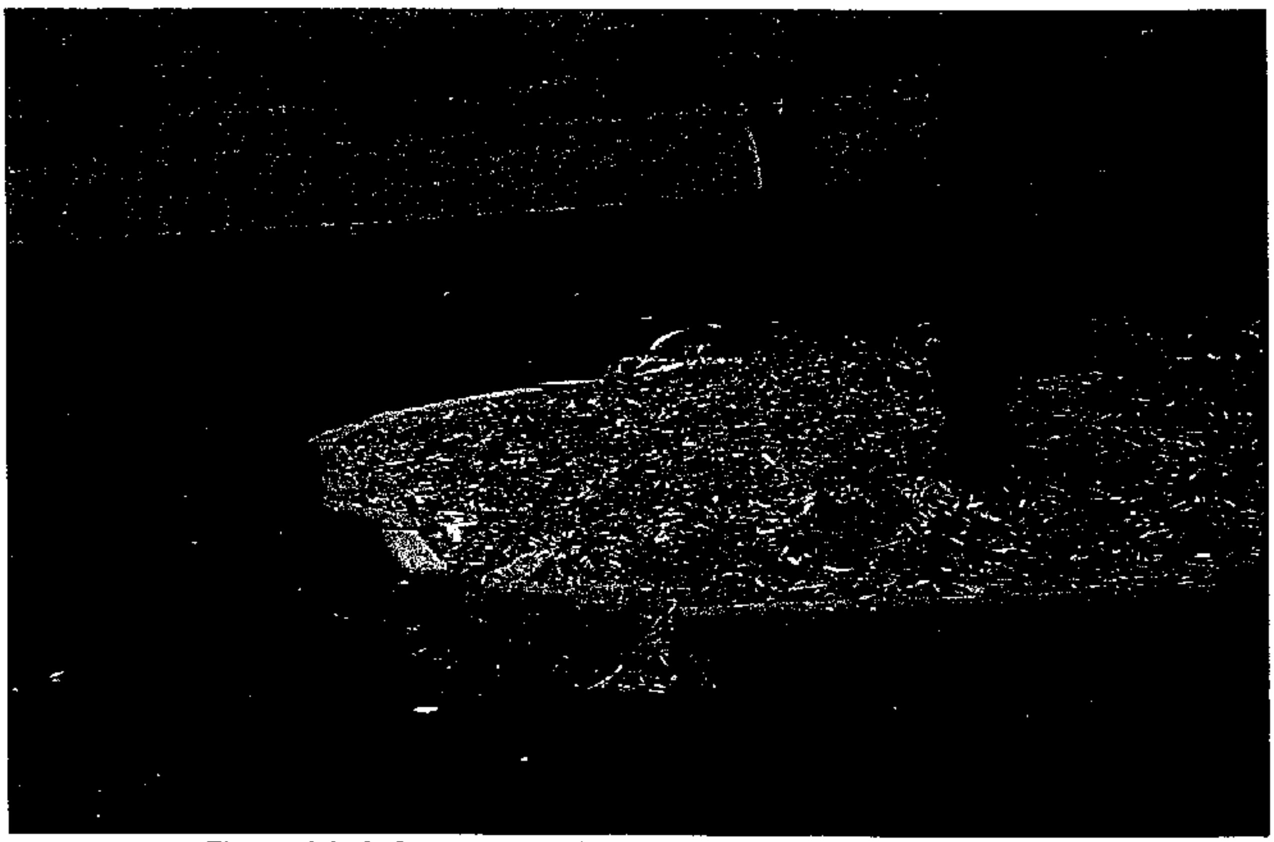

Figure 26: Infrastructure deterioration on the Hotel property.

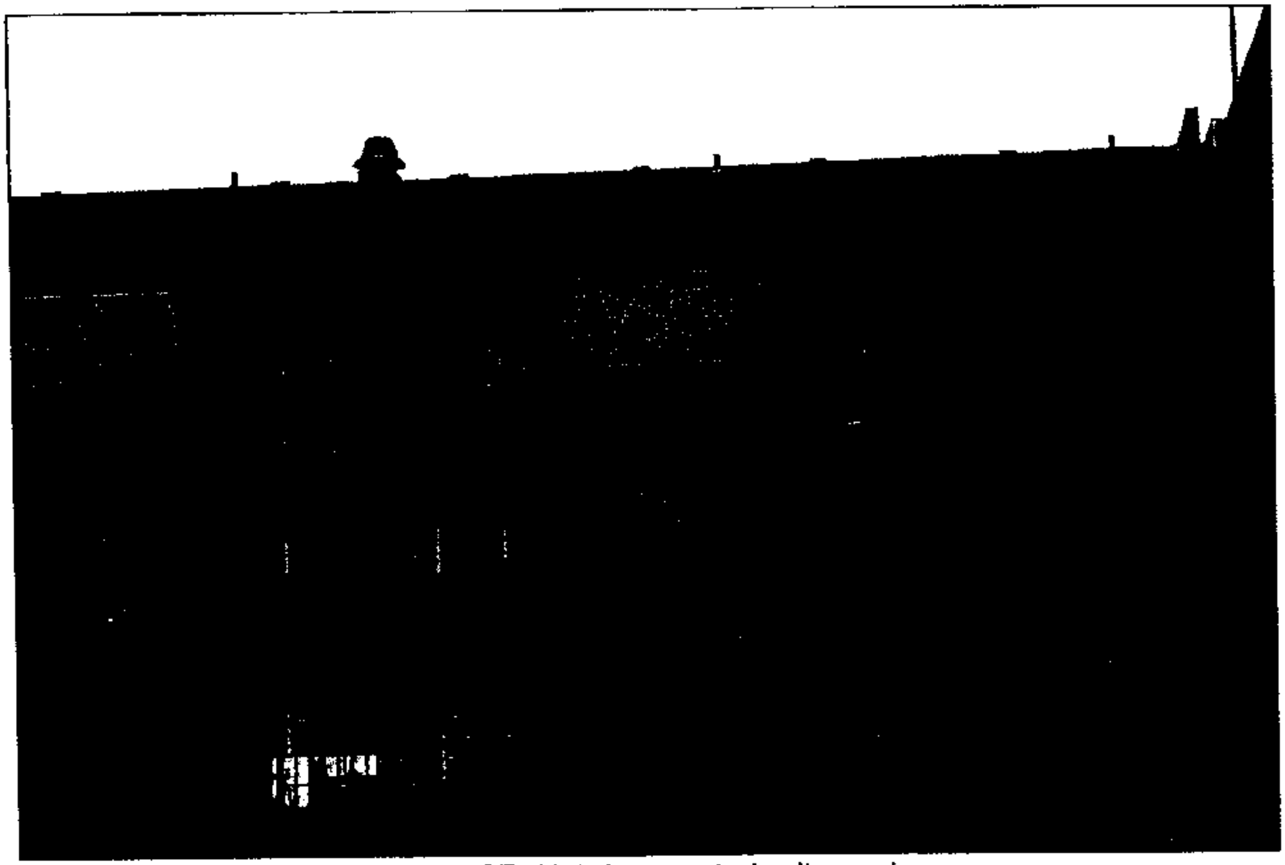

Figure 27: Hotel property in disrepair.

Larry Marks
10 S. Broadway, Suite 1640
St. Louis, MO 63102-1743
Phone: (314) 421-2800
Fax: (314) 421-3401
E-mail: lmarks@development-strategies.com

Development Strategies

Fax

To:	John Fransen David Frantze Craig Fischman Laura Whitener	**From:**	Bob Lewis Larry Marks
Fax:	(310) 398-3585 (816)691-3495 (913)851-1350 (816)221-0189	**Date:**	December 12, 2001
Phone:		**Pages:**	9
Re:	Bannister Mall Blight Study	**CC:**	

☐ **Urgent** ☐ **For Review** ☐ **Please Comment** ☐ **Please Reply** ☐ **Please Recycle**

•Comments:

Attached is a copy of the revised blight analysis for Bannister Mall. I have tried to incorporate all of the comments that I received.

Craig asked that we include a section on the historical reduction in sales taxes generated by Bannister Mall. However, to date we have not received this information from the City.

Please call with any questions or comments.

DATA AND ANALYSIS OF CONDITIONS OF BLIGHT

For The
BANNISTER MALL
TAX INCREMENT FINANCING DISTRICT
KANSAS CITY, MISSOURI

Prepared By:

Development Strategies, Inc.

December 11, 2001

1.0 SUMMARY AND CONCLUSION

Bannister Mall was constructed in 1980. Thus, many of its building and site elements are reaching the end of their useful life and need to be replaced or significantly renovated.

In addition to its physical obsolescence, the mall has become functionally obsolete as a modern retail center. Patrons today require attractive and convenient shopping opportunities where they can quickly find what they are looking for given their busy schedules.

Finally, the ability to make the necessary physical and functional improvements to Bannister Mall is hampered by its loss of competitive market position. When Bannister Mall was constructed, it was the largest and by far the newest regional mall in the southern portion of the Kansas City metropolitan area. It retained this position for several years. However, recent additions of retail space in the southern and eastern portions of the metropolitan area have contributed to Bannister Mall's inability to remain competitive. These new shopping centers include Town Center Plaza, a 700,000 square foot center constructed in 1996 in Leawood, Kansas, only 4 miles to the east of Bannister Mall and, the Great Mall of The Great Plains constructed in 1997 in Olathe, Kansas. This 1,200,000 square feet super regional shopping center is only 8 miles from Bannister Mall. In addition, Summit Woods Crossing has been constructed, Oak Park mall has been enlarged with the construction of a department store, and TIF projects in Independence, Lee's Summit and Blue Springs have resulted in an explosion of competitive retail space.

In summary, the situation of blight exists for Bannister Mall, as exhibited in the following ways:

- The mall's out-of-date design and unsafe conditions due to poor internal circulation and poor exterior signage and site circulation.
- An old and obsolete platting of ownership, which makes it difficult to address the problems and needed improvements of the mall in a comprehensive and efficient manner.
- Deteriorated and outdated improvements which have reached the end of their useful life dictating the need to replace the roof of the mall, rework and replace the electrical system for exterior lighting, replace significant portions of the parking lots, replace most of the interior lighting for the mall, and the construction of an irrigation system to maintain landscaping throughout the mall site.
- A decline in assessed value of nearly 41% over the past five years, with the prospect of sinking lower in the future, unless corrective measures are taken.
- A decline in small shop occupancy from nearly 75% to less than 50% in the past four years.

- The closing of the J.C. Penney store in July, 2000.
- The closing of the Bannister Mall V Theater located inside the mall.

These blighting factors are described in greater detail in the following sections of this report.

In conclusion, Bannister Mall is blighted both physically, functionally, and economically. In order for the twenty-year-old Bannister Mall to remain viable and competitive, it must be repositioned in the market. Without a repositioning of the mall and significant renovation or replacement of many of the mall's outdated or deteriorated interior and exterior improvements, the mall will slip further into blight, which will impact neighboring retail that is also showing signs of blight as well as affecting nearby residential neighborhoods.

2.0 OVERVIEW

Bannister Mall was constructed in 1980 on a 90-acre parcel of land located on the northeast quadrant of the I-435 and Bannister Road interchange. When it was constructed over 20 years ago, it was the largest regional mall in the southern portion of the Kansas City metropolitan area.

The mall contains over 1 million square feet of space including department stores, small shops space, and pad sites. Until recently, the mall was anchored by four major departments stores -- Sears, Dilliards, J.C. Penney, and The Jones Store. However, the J.C. Penney store closed its doors in July 2000. Each department store owns its own building.

The mall also contains small shop spaces with nearly 390,000 square feet of gross leaseable area. Over half of the small shop space is presently vacant or occupied by tenants with below market temporary leases. In addition, the mall has a food court, which is largely vacant, and an obsolete movie theater, which is also vacant.

3.0 DEFINITION OF BLIGHTED AREA

In RSMo 99.805(1) of the TIF Act, the statute states the definition of a blighted area as:

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

The following analysis examines and documents the conditions of the Bannister Mall property to determine if these blighting factors are present. Notably, the criteria which define a "blighted area" recognize the functional as well as physical deficiencies. Manifestations of blight may be physical, such as "deterioration of site improvements" or "unsanitary conditions," or functional, such as "inadequate street layout" or "improper subdivision" or a combination of these factors. In general, functional deficiencies are less noticeable to casual observation. Nevertheless, the predominance of functional deficiencies can similarly produce the significant economic or social liabilities which justify public intervention through redevelopment.

For example, various blighting factors present at Bannister Mall may not be obvious to the casual observer. No glaring physical defects are readily apparent. Nevertheless, more thorough investigation (detailed below) reveals a predominance of certain functional and physical deficiencies identified in the TIF act as defining a "blighted area." These deficiencies have already produced a regional mall that, in its present condition and use, has become an economic liability. Further, failure to address these blighting factors will inevitably result in additional physical deterioration, dysfunction, and economic obsolescence to an extent which will become impossible to ignore.

4.0 DATA GATHERING METHODOLOGY

This analysis has been designed and conducted to comply with the specific requirements of Section 99.805(1) RSMo. The analysis and the requisite field work were preformed during October and November of 2001. Observations and conclusions are based on site inspections of the Bannister Mall property and facilities and on the consultant's familiarity with local real estate market conditions and trends.

5.0 BLIGHTING FACTORS

Unsafe Conditions

Poor and Dangerous Mall Circulation--Bannister Mall is a two-level regional shopping center. However, there is no elevator service for the small shops located between the major department stores. The only elevators are located within the department stores and are typically not easy to find. Consequently, parents with children in strollers or disabled individuals rely on the available escalators which fosters the potential for accidents and harm to these individuals.

The interior circulation problems are further exacerbated by the lack of escalators at the ends of the mall where it would be logical to provide easy access from one level to another. Instead, stairs are provided at these locations making it difficult and potentially dangerous for many individuals to move from one level to the other. At the north end of the mall, it is approximately 400 feet from the entrance to The Jones Store to the nearest escalator. At the south end of the mall, it is approximately 475 feet from the entrance to the Sears store to the nearest escalator.

Poor Signage and Site Circulation--Bannister Mall suffers from a lack of signage which can create uncertainty and potentially dangerous distractions. The only signage designating the name of the mall is located on a structure near the intersection of I-435 and Bannister Road. At best, the sign is barely visible from I-435. There is no signage for patrons approaching on Hillcrest Road or Bannister Road. This creates uncertainty and a potential for accidents for drivers unfamiliar with the area.

Upon entering the mall property from the multiple approaches that are possible, signage providing information about the respective stores is either non-existent or very limited. This again creates confusion and traffic hazards for individuals who are unfamiliar with the mall.

Deteriorated Site Improvements

Bannister Mall has generally been well maintained and appears in good condition to the casual observer. However, given the age of the mall, there are a number of items which must be replaced or installed for the mall to remain competitive and viable.

Roof Replacement-- The existing mall roof, composed of built-up tar and gravel, is the original installation. It has been maintained and patched, as needed, however, the typical life span of this type of roof is 20 years. A recent study indicated that the entire roof is at the end of its useful life and needs to be replaced at a cost in excess of $2 million dollars.

Entrance/Canopy Lighting-- The exterior lighting for the mall is both old and energy inefficient. In particular, the lighting at the entries of the mall contain over a hundred 60-watt bulbs. Not only is this highly inefficient, but it is maintenance intensive to replace burned out lamps.

Parking Lot Lighting-- The wiring conduit for parking lot lights was not glued together during the original construction. Over the years, as the ground has shifted the pipes have come apart, scraping insulation off of the wires. Once there is even a tiny cut in the insulation, ground water comes in contact with the wire causing a short in the lights. The only way to repair the problem is to remove and replace entire runs of conduit, which are generally several hundred feet in length.

Deteriorated Parking Lots-- The parking lot has been patched and maintained over the years in accordance with common asphalt repair practices. Mall ownership spent over $880,000 in 1999 to replace sections of the parking lot. Age now dictates that additional large portions be replaced and restriped.

Landscape Irrigation-- Part of a shopping center's competitive advantage is its landscaping. Bannister Mall's landscape plan lacks a complete irrigation system resulting in low quality design and appearance by today's retail standards. It also requires maintenance intensive hand watering procedures. Large grassy berms, which could be an attractive feature, instead appear brown and barren as early as July each year due to lack of irrigation.

Interior Lighting--The mall has approximately 1700 fluorescent lamps that are older, energy inefficient F40 style. These fixtures should be replaced with new energy efficient T8 lamps with electronic ballast.

Entrance Doors-- Most mall entrance doors are original. They have been maintained by professional contractors, however repair parts are no longer available. These doors need to be replaced because they cannot be repaired.

Sight Lines-- The design of the mall creates poor sight lines, which is a symptom of functional obsolescence. It can be difficult to locate stores due to these poor sight lines. Today's shopper has limited time and needs a more efficient layout to be able to see where they want to go quickly.

Improper Subdivision or Obsolete Platting

The Bannister Mall property is comprised of ten separate parcels varying in size from 0.86 acres to nearly 24.5 acres. The subdivision of the mall property with six separate owners and the irregular configuration of the parcels, particularly "parcel 1," which contains the smaller mall shops and some of the mall access, makes it difficult to undertake the type of coordinated approach for the repositioning of the mall to allow it to be brought up to modern retail standards.

Economic Liability

As indicated below, Bannister Mall, in its present configuration and occupancy, has become an economic liability for the City of Kansas City, with the prospect of becoming an even greater economic problem if the downward trends are not quickly reversed.

Decline in Assessed Value and Real Estate Taxes—As reflected in the following table , the assessed value of Bannister Mall declined by nearly 41% between 1996 and 2001. This has resulted in a significant loss in property taxes for the City of Kansas City.

Summary of Assessed Value of Bannister Mall 1996-2001

	Market Value
1996	$16,347,528
1997	$16,313,220
1998	$14,126,550
1999	$10,422,821
2000	$9,712,595
2001	$9,658,350

Source: Bannister Mall records.

It is important to note that the assessed value of the mall for 2001 is being appealed and may be significantly reduced. The appeal is based on recent bonafide sales offers.

Excessive Vacancy Rates-- As of November 1, 2001, Bannister Mall has a total vacancy rate of nearly 22%, including the large department stores. Even more important, the vacancy rate is 49% excluding the department stores. This is an exceptionally high vacancy rate since it is the small shops that typically carry the operating expense of a retail center. The problem is further compounded when shops with temporary leases paying lower than market rent are taken into consideration. This type of lease represents over 8% of all small shop space. Thus, 57% of all shop space, which retail centers must rely on for their existence, is either vacant or paying below market rent on a temporary basis.

Included in the vacancy figures quoted above is a five-screen movie theater containing over 23,000 gross leasable square feet of space. The small, out-of-date character of the theater makes it difficult to lease the movie theater to operators of large movie chains. Recent efforts to operate as a "$1 movie house" have failed. It is very doubtful that a user could be found to occupy the space in its present condition. Renovating the theater as retail space would be extremely expensive.

Further emphasizing the occupancy problems of the Bannister Mall is the high vacancy level of the food court, which is less than a third occupied. Given the relatively small size of the food court (less than 9,000 square feet) for the size of Bannister Mall, the excessive vacancy rate reflects a serious lack of patronage for the mall as a whole.

It is important to note the vacancy rates of Bannister Mall are symptomatic of a larger vacancy problem in the retail surrounding the mall. Bannister Square, located across Bannister Road directly south of the entry to Bannister Mall, is entirely vacant except for one store and bank occupying a pad site. This center has a freestanding, old-style movie theater, which is highly unlikely to be leased in its present condition. Several theater chains are in bankruptcy, there is a glut of dated vacant theater space available, and this style theater is simply not being reopened.

Significant vacancies are also present in the Benjamin Plaza shopping center located directly north and east of Bannister Mall. Vacancies include small shops, the former Montgomery Ward's building, and a former Circuit City store.

Vacancies are also present in the retail centers located to the east of Bannister Mall across Hillcrest Road. Several restaurants along the east side of Hillcrest Road are vacant. In addition, there are vacancies in the strip centers further to the east.

The vacancy problems also extend west of Bannister Mall at the I-435 and Bannister Road interchange. The former Pace Warehouse, and then Homequarters store, on the northwest quadrant of I-435 and Bannister Road is essentially vacant (currently partially used for storage on a short-term lease) and has a negative image and impact on the entire retail area. The Home Depot retail center in the southwest quadrant also has vacant retail space.

Given the current vacancies in Bannister Mall, as well as its neighboring retail developments, it is highly unlikely that Bannister Mall can simply be reoccupied as a traditional regional retail center. Thus, the mall must be repositioned in the retail market if it is again to become an important retail attraction that can be competitive and that can serve as a catalyst for helping to revitalize the neighboring retail centers.

Rent Abatements-- Not reflected in the vacancy rates discussed above, are tenants that have been granted rent reductions in order to entice them to stay open. These tenants sales dropped dramatically and they requested a reduction in their monthly payments or they would close, even if it was a violation of their lease. The mall has granted reductions in order to maintain occupancy and offer shoppers the best selection of stores possible. The result of most reductions is that the mall no longer collects for operating expenses the tenant is supposed to pay.

Bass Pro Shops
SPRINGFIELD, MO

SPORTSMAN'S PARK CENTER

2500 E. Kearney • Springfield, MO 65898 • (417) 873-5000

EXHIBIT

19

May 8, 2000

Mr. John Crawford
Economic Development Corporation
Of Kansas City, Missouri
10 Petticoat Lane, Ste. 250
Kansas City, MO 64106

Dear John:

We are exploring several options in the Kansas City, Missouri area, and appreciate the support for our specific proposal in S.E. Kansas City at I-435 and Bannister Road. This site and building can work for us from a functionality standpoint, however, the property has some obvious and hidden defects which make it impractical for any developer to seriously consider without taking a big risk

The specific problem is the site was originally a hillside slope, and was filled without adequate support. The result has been a steady settling and movement of the site and the building. The site needs to be stabilized which requires subsurface engineering support systems, as well as building repairs for the movement that has occurred to date.

Attached is a draft report from a local engineer that we hired to investigate remedies to prevent further movement, along with his initial estimate of costs. The final report will be complete on May 12, 2000 At that time I will forward a copy to you. The initial cost estimate for these repairs is estimated on a preliminary basis between $700,000 - $1,000,000 for the site and building issues.

We plan to spend between $10-12 million to turn this building into a wonderful showcase for outdoor enthusiasts, which includes exterior enhancements, landscaping, and extensive interior improvements. We have 10 stores opened currently around the United States, and all have been well received by the public, including the neighbors who are very proud of the impact the development has had on the area.

Thanks very much for your consideration and support.

Sincerely,

BASS PRO SHOPS

David DeCou

David DeCou
Director of Development

P:\ARCH\BPS ARCH\DAVED\0508CRAWFORD

May 3, 2000

Terracon
13910 West 96th Terrace
Lenexa, Kansas 66215
(913) 492-7777 Fax (913) 492-7443

DRAFT

Butler Rosenbury & Partners
300 South Jefferson, Suite 400
Springfield, Kansas 65806

Attention: Mr. Alan Mettemeyer
via fax @ 417.865.6102

Regarding: Preliminary Geotechnical Engineering Services
Bass Pro Shops at Benjamin Plaza
8830 - 8844 Hill Crest Road
Kansas City, Missouri
Project No. 02005126

Dear Mr. Mettenneyer:

The geotechnical engineering services associated with the evaluation of the former Montgomery Ward Building at Benjamin Plaza in Kansas City, Missouri are currently proceeding. Because the utility locate service was not able to mark underground utilities until recently, we could not begin drilling at the site until May 3, 2000. We proceeded with the parametric "desktop" study using available information about subsurface conditions previously available to us. This letter summarizes our analysis to date.

The existing building is a two-story structure enclosing about 110,000 square feet. Terracon conducted a property condition assessment (PCA) of this structure in 1998. At that time, evidence of floor and possible foundation movement was observed, including:

- A 2-inch wide crack located on the northeast floor slab;
- A 1.5" wide gap between the north foundation wall and the concrete floor slab (west of the floor crack). No gap was noted to the east of the floor crack;
- Differential movement between the north interior stud walls and the north exterior wall;
- Two interior columns (northeast side of the building) and several interior water pipes apparently out of plumb;
- Minor exterior cracking near the dumpster location; and
- An offset door on the northwest building corner.

This study was undertaken to evaluate, to the extent practical, the cause of the observed floor movement. A limited amount of time in which to gather data has been imposed on this study. This relatively short time frame has limited the methodologies available to evaluate the present rate of movement. Crack monitoring devices, inclinometers or extensometers were not installed as part of this study.

Terracon

GSA Building
Independence, Missouri
Project No. 02005087
May 3, 2000

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We reviewed available information, including data accumulated for our 1998 PCA, and will review the subsurface information from the eight borings we are now drilling at the site.

Review of Available Historical Records

The historical records reviewed for this project was limited to the property condition assessment (PCA) prepared by Terracon in 1998, two grading plans prepared and provided by Shafer, Kline, and Warren (SKW), and the original building plans for the Montgomery Ward Building prepared by Ramos Design Consultants. The grading plans included a "Preliminary Site Grading Plan for the Benjamin Plaza - Phase Two Area" dated April 27, 1990 and an "Unsuitable Material Removal Grading Plan" dated May 14, 1990.

Based upon our review of the floor slab conditions noted in the PCA, the observed cracking in the floor slab appeared to be slightly larger at the time of this report than in 1998. Additionally, the differential movement between the north interior walls and the north exterior wall appeared to be more pronounced. It should be noted that these observations were based on visual evidence only since no monitoring devices had been installed.

Our review of the building plans indicated that the structure is supported by a combination of interior spread footings at the individual column locations and exterior continuous footings and spread footings supporting the exterior wall loads and column loads, respectively. The footings were designed and proportioned based upon a maximum allowable bearing pressure of 3,500 psf for continuous footings and 4,000 psf for spread footings. The sizes of the spread footings varied from 3 to 9 feet square. The design depths of the foundations as shown on the plans varied from two to six feet.

The floor slab thickness varied from 4 inches within the main portion of the building and 5 inches with in storage area located on the north end of the building. According to the plans, the slab was reinforced with a welded wire fabric and constructed over four inches of crushed rock over a vapor barrier. The design finish floor elevation of the slab was 202.0 feet.

The site grading plans show the existing contours in 1990 (prior to construction of the Ward Building) and the proposed contours. Based upon our review of the grading plans provided, the amount of fill placed across the building pad varied from 0 feet at the southeast corner to over 30 feet in the northwest corner.

No other historical documents were provided to us for review as part of this investigation. Additional documents which should be reviewed include the original soils investigation report and the test data (e.g. field density tests) obtained during construction of the Ward Building.

Site Survey

Shafer, Kline & Warren, Inc. (SKW) was retained to survey floor elevations at readily accessible locations throughout the first and second floor areas in the building and to develop two cross-sections that extend from the back (north) side of the building down slope to just beyond the creek.

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The floor elevations were obtained at column locations. An oversized plan of the data obtained from SKW will be attached to the final report.

Field and Laboratory Exploration

The borings are currently being drilled at the site. The final report will include the information from the borings.

Engineering Analysis

Although slope movement has not been determined to be the cause of the observed building distress, based on the conditions observed and our desktop study, we can not rule out this possibility. For the purposes of this investigation, it was postulated that the distress is being caused by the movement of the slope. The modeling was performed using the cross sections prepared by SKW and the previous site grades.

The modeling was conducted by back-calculating the soil shear strength values necessary to cause the slope to fail. Repair options could then be evaluated and the anticipated costs of the repair methodology could be determined based on this scenario.

The stability analysis was performed using the computer program STABL5M. Stability analysis included evaluation of circular failure arcs based upon the Modified Bishop method. It should be noted that the circular failure arcs generally result in higher shear strengths in the soils. The soil shear strengths required for block and random surface failures are typically lower.

The soil parameters were adjusted in order to obtain a factor of safety near 1.0. These soil parameters are summarized in Table 1. Detailed results of the stability analysis will be provided with the final report.

Table 1
Soil Parameters for F.S. = 1.0

Material	Moist Unit Weight	Cohesion	Friction Angle
Fill Soils	120	650 psf	0
Natural Soils	120	100 psf	15 degrees

Conceptual Corrective Action

Several methods are available to increase overall stability of the slope. These methods including toe stabilization, slope reconfiguration, soil reinforcement, and crest stabilization. Based on the geometry of the site and the limited amount of space available, modifying the geometry of the slope or stabilizing the toe of the slope would be difficult to achieve. It appears that the use of tie backs would be the most suitable method for increasing the stability of the slope.

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In general, the tie backs were placed in the lower third of the slope. Although not encountered by the borings, the tie backs would be required to extend into sound bedrock. It is estimated that the lengths of the tiebacks would be 50 feet (±) and be placed at ten foot centers. The tie backs would need to have a design capacity of at least 200 kips. Load testing of the tiebacks would also be required.

Using this information as a guideline, the estimated cost of stabilizing the slope immediately to the north of the Ward store should be under $500,000. This price is based on installing about 50 tiebacks along 500 feet of the slope. This price does not include cosmetic repair of the building or mudjacking of the slab, if required. Our estimate is based on our experience with previous projects and will be refined as part of the final report.

We appreciate the opportunity to be of service to you on this project. We anticipate that the final report with the soil boring logs will be completed by the first part of next week pending any comments or questions you may have. If you have any questions, please contact us.

Sincerely,

Terracon

James M. Landrum, P.E.
Project Engineer
Missouri Registration No. EN 028954

Craig K. Denny, Ph.D., P.E.
Principal

MEMORANDUM

Date: May 8, 2000
To: Commissioners of Tax Increment Financing Commission
From: Don Moore, Senior Planner
Subject: Assessment of present conditions at old Wards Store

On May 5, 2000, Dave Becou, a representative of Bass Pro Shops visited the EDC offices to discuss a potential project in southeast Kansas City. Dave, Terry Guido and I traveled to the site to meet with the realtor, Carl LaSala to view and assess the property. The 15-acre site has a 110,658 square foot big box department store with two floors and a 2-story atrium skylight. The complex has 608 parking spaces with 3 truck doors, 2 escalators and a freight and passenger elevator. Also available, is a 10-bay service facility with customer lounge and parts department with 89 parking spaces. Viewing the facility revealed substantial problems with the integrity of the building. There is a crack in the floor on the north side of the building about 20 feet inside of the north face. The crack in the flooring runs from the northwest to the northeast corner of the building. The north portion of the crack seems to be moving northward away from the main part of the building. Not only is the building moving to the north it is also settling. If some type of intervention is not taken immediately, this building will become a blighting influence on the community.

Attached to this memorandum is a series of pictures that show the cracks in the floor and separation of joints in the walls of the structure. Pictures taken outside the building shows cracks in the parking lot that lead to cracks in the steps and separation at the northwest corner of the building. Detailed engineering reports are underway and the results show that a significant expenditure is necessary for corrective actions to ensure the safe use of the facility. These extraordinary site development cost make it imperative that incentives be provided to assist in the development of the site. Preliminary estimates of corrective action is estimated at $1 million.

EXHIBIT 11

EVIDENCE OF FINANCING INTEREST

EXHIBIT 12

ACQUISITION

None Contemplated.

EXHIBIT 13

RELOCATION ASSISTANCE

(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 RSM0. 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 14

REDEVELOPER AFFIDAVIT

DEVELOPER'S AFFIDAVIT

STATE OF MISSOURI)
)
COUNTY OF JACKSON)

I, Nicholas E. Stolatis, Assistant Sec'y of 485 Properties, LLC., being first duly sworn, state and depose upon oath as follows:

1. A detailed description of the factors that qualify the Redevelopment Project Area as a Blighted Area is contained in the Three Trails District Tax Increment Financing Plan. The conditions therein reported are accurate and describe the current state of the Redevelopment Project Area.

2. The Redevelopment Project Area has not been subject to growth and development through investment by private enterprise and would not reasonably be anticipated to be developed without the adoption of tax increment financing.

3. Based on the above factors, it is my opinion, as a representative of 485 Properties, LLC, that the Redevelopment Project Area qualifies as a Blighted Area, it has not been subject to growth and development through investment by private enterprise, and the cost of curing the existing conditions is not economically viable if fully borne by private developers and cannot reasonably be anticipated to be developed without the adoption of tax increment financing.

The above statements are true and accurate to the best of my knowledge, information and belief.

Further, affiant sayeth not.

Nicholas E. Stolatis

On this 16th day of January, 2002, before me, a notary public, appeared Nicholas E. Stolatis to me personally known, who being by me duly sworn, did say that he is the Asst. Secy of 485 Properties, LLC and that said instrument was signed on behalf of said company by authority of its members and he acknowledged said instrument to be the free act and deed of said company. Subscribed and sworn to before me, a Notary Public, this 16th day of January, 2002.

Janet C. Briscoe
Notary Public

My Commission expires:

JANET C. BRISCOE
Notary Public - Notary Seal
State of Missouri
County of Platte
My Commission Exp. 06/29/2005

KCDB 634037v1