

47th & Mission

Redevelopment Feasibility Study



Final Report

Commissioned by :
Unified Government of Wyandotte County/Kansas City, Kansas;
Westwood, Kansas and Roeland Park, Kansas



October 2007



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Executive Summary

In June 2006, Zimmer Real Estate Services was hired by the Unified Government/Wyandotte County, Kansas and the cities of Westwood and Roeland Park, Kansas, to develop a feasible market-oriented plan for the 47th & Mission Road intersection area, as defined by the 47th & Mission Road Master Plan, previously completed by Gould Evans Associates in 2000. The Master Plan was developed with significant public input and resulted in a land use plan and amenity plan for the area roughly bounded by Rainbow Boulevard on the east and Elledge on the west. The focus of the Master Plan was at 47th and Mission with the stated goal of creating a more vibrant, pedestrian-oriented neighborhood center with new commercial uses, primarily retail, with some housing and office proposed in a higher-density, mixed-use environment. Additionally, significant study was made of design standards and the location of elements such as on and off street parking, signage and building location and materials. The planned use plan and design standards contained many elements of traditional neighborhood design, which are present in many existing neighborhood centers throughout greater Kansas City.

A Management Committee, composed of representatives from the three communities appointed by each city's governing body was established as the arbiter of design standards for any significant new construction proposed within the study area. Additionally, an overlay zoning regulation was developed that, along with the Plan, was adopted by each of the three communities. This planning effort formed the basis for the feasibility study that was undertaken by Zimmer with the support of Gould Evans and under the guidance and leadership of the Management Committee.

Initial discussions with the Management Committee reconsidered and confirmed a vision for the area as a neighborhood center with suggestions for consideration of the addition of higher-density housing, primarily for-sale housing in in-fill locations. The committee agreed that there was no funding available for acquisition and assemblage of property and relocation of existing businesses. Additionally, there was reluctance to consider utilizing eminent domain to acquire any property. Each of the three communities expressed concern about the use of public incentives, but believed that their targeted use could be beneficial to individual existing property owners rather than for significant land assemblage in a major new retail development at the 47th & Mission intersection.

Process

The redevelopment study began by assembling data on the ownership, size, and use of existing property and a formal market study was commissioned for retail uses by Development Strategies as a subconsultant to Zimmer, and an assessment was made of the office market by Zimmer utilizing readily available market sources. It was generally felt by the group that there was a market for infill housing along the corridor as evidenced by trends in both greater

Executive Summary

Kansas City and the neighborhood. It was also felt that while the study did not specifically focus on the redevelopment and rehabilitation of existing housing, that particularly to the north of 47th Street, housing stock needed improvement. By upgrading the quality and number of new housing units, commercial uses, primarily retail, would be strengthened. The resulting property assessment is summarized in Section 3 of this report, and the retail and commercial market studies are summarized in Section 4.

The retail market study identified that the potential demand for up to 150,000 square feet of new retail space and identified specific target retail types that were currently undeserved in the market. Additionally, members of the Management Committee identified the types of uses such as additional restaurants and entertainment uses, and specialty retail stores that they felt would support the concept of a neighborhood center. The study area includes two retailers—Oklahoma Joe's and Velvet Crème—that are both destination retailers for residents outside the normal 1-, 3-, and 5-mile radius for typical retail support. The study also determined that the distance of the study area and the 47th & Mission intersection from a major arterial or highway limited the potential to attract significant national retailers. These findings supported the idea that 47th & Mission could be a neighborhood center, but would have difficulty attracting tenants and users that require significant traffic. It should also be noted that new retail construction would require rents in the \$20 to \$25 per square foot range for space and that space currently in the corridor rents for half of this amount. Again, an impediment to significant redevelopment. The existing traffic counts on both 47th Street and Mission Road also do not support a significant retail development, but indicate a level of traffic typical for a small neighborhood center.

The study area contains limited amounts of existing office space, which consist primarily of small tenants such as professional offices and other small users. While this corridor has not been a significant office destination or office center in the past, the expansion of the University of Kansas Hospital on Rainbow suggests that there may be a potential medical office/bioscience market in the future.

Vision

Based upon a market study, and with consideration of the Master Plan and previous considerations of land acquisition, the Management Committee developed a collective vision that formed the development framework for the redevelopment study that was developed by Gould Evans with the input gleaned from the various market information developed. It was agreed by the Committee that Zimmer would work with each of the existing property owners to determine their plans for their own property, both positive and negative, and these would be aggregated in a Phase 1 plan that could create a road map to begin the redevelopment of the 47th & Mission study area.

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Significant potential projects included an expansion of the existing Apple Market and construction of new retail space to support the market, redevelopment of the southwest corner of the intersection in Roeland Park and the potential for expansion of the existing building that houses Oklahoma Joe's at the northeast corner of the 47th & Mission intersection. Additionally, several vacant lots and residential properties have significant potential for redevelopment and/or construction of new infill housing.

The Management Committee also agreed that a "stretch" plan called Phase 2 should be developed which would develop a road map for the long-term future if occupancies changed, developers became interested in the intersection, and a more significant market would be solidified subsequent to the Phase 1 construction. In Section 5 the resultant plans developed by Gould Evans which include renovation of existing buildings and new construction totaling 146,000 square feet for Phase 1 and 236,000 square feet for Phase 2 were reviewed and approved by the Management Committee and form the basis for redevelopment of the area.

It should be noted that there were several existing property owners who were uninterested in the planning process and either in investment in or sale of their existing properties, and that several of the property owners expressed willingness to invest in their property if incentives were granted that would encourage the upgrading of their facilities. It should be noted also that neither Zimmer nor members of the Management Committee feel that the area is currently blighted, but that it is at a "tipping point" where without reinvestment that the area potentially will decline. It was also felt that some of the existing land uses, particularly the more service station oriented uses, were not the highest and best use of the property and not in keeping with the vision for the neighborhood center. That being said, the property owners will be encouraged to upgrade their facilities aesthetically and to consider implementing the recommendations of the Phase 1 and Phase 2 redevelopment plans.

The Phase 1 and Phase 2 plans, along with the results of the market study and the development framework are included in Sections 4 and 6.

Zimmer, as the consultant and the Management Committee held a Public Meeting on December 13, 2006 to present the study progress to the general public. Announcements were made in the communities' newspapers and newsletters, and the property owners in the 47th & Mission Road Redevelopment Area were sent invitations to the event. The Public Meeting was generally well attended and well received. The Appendix includes an article from the Kansas City Star written about the Public Meeting and the Redevelopment Study.

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Support Materials

As part of the redevelopment study, presentations were made on tax increment financing and other redevelopment tools. A copy of the presentation materials are included in the Appendix Section 8. The most appropriate redevelopment tools include the Conservation TIF that would provide incremental tax revenue to be rebated to property owners who invest in their property and a tax abatement provided by the Neighborhood Revitalization Act, which is already in place on the UG side of 47th Street. Additional tools that could be used include a Transportation Development District (TDD) or a Community Improvement District that could be used for transportation-related improvements and neighborhood cleanliness and safety operational purposes, respectively. These tools—the Conservation TIF and the Neighborhood Revitalization tool—would be enacted individually by each city. The Community Improvement District and the TDD would need to be approved by the existing property owners who subject themselves to a tax and would then be approved individually by each of the three communities. The Conservation TIF and Neighborhood Revitalization Act are both geared toward the redevelopment of neighborhood commercial areas that are not blighted but are in transition. Eminent domain is not a permitted element under the Conservation TIF.

The Appendix also includes a summary of the elements of responsibilities of the Management Committee and summarized the design standards that form the basis for approval of significant redevelopment projects by the Management Committee. Additionally, a survey was made of potential environmental contamination on known sites in the study area (no formal investigation of the existing properties was made and was not a part of the scope of this study). Additionally, the public presentation PowerPoint is included as well as press regarding the project and the public hearing.

Recommended Next Steps

Zimmer recommends that the Management Committee continue to encourage the redevelopment of the 47th & Mission Study Area in accordance with the Phase 1 and Phase 2 plans, and suggest that the significant interested property owners who have committed to an interest in redevelopment of or improvement of their property be re-contacted to review the plan elements, to encourage their participation and to attempt to determine their needs to assist in the redevelopment.

Additionally, Zimmer recommends that a “redevelopment area” be established formally utilizing a Conservation TIF as the legal framework. Each community will individually have to establish this area. The cities of Westwood and Roeland Park should explore the potential to establish a neighborhood revitalization area.

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Continued investment should be made in public improvements, particularly completion of the infrastructure at the north side of 47th Street as well as additional landscaping and streetscape improvements similar to those installed the Rainbow and Mission intersections.

Consideration should be given to establishing a name for the area with the establishment of a merchants' association beginning common marketing for the 47th & Mission intersection as a destination for retail shoppers.

Once accepted by each of the municipalities, the study should be publicized to the development community to identify or to determine the marketplace's interest in the redevelopment of both the commercial areas and the residential infill that was not the focus of the study. It is our belief there is interest in the redevelopment of the area within the development community.

It is our belief that the three communities working together to redevelop an area that is important individually and collectively is unique in the greater Kansas City area, and the cooperative working relationship should continue to implement improvements. It is our belief that as soon as one or more of the significant reinvestment projects occur, that others will be encouraged. The construction of infill housing, particularly on vacant property owned by the City of Westwood, will encourage other property to be acquired and redeveloped. At the end of the study, there is remaining fee in our contract as well as subsequent activities that would occur as redevelopment is planned, Zimmer remains ready to assist the three communities in the implementation of what we believe to be a feasible, appropriate, and supportable plan to improve the 47th & Mission intersection and related study area.

Prepared by:



Daniel F. Musser
Senior Vice President

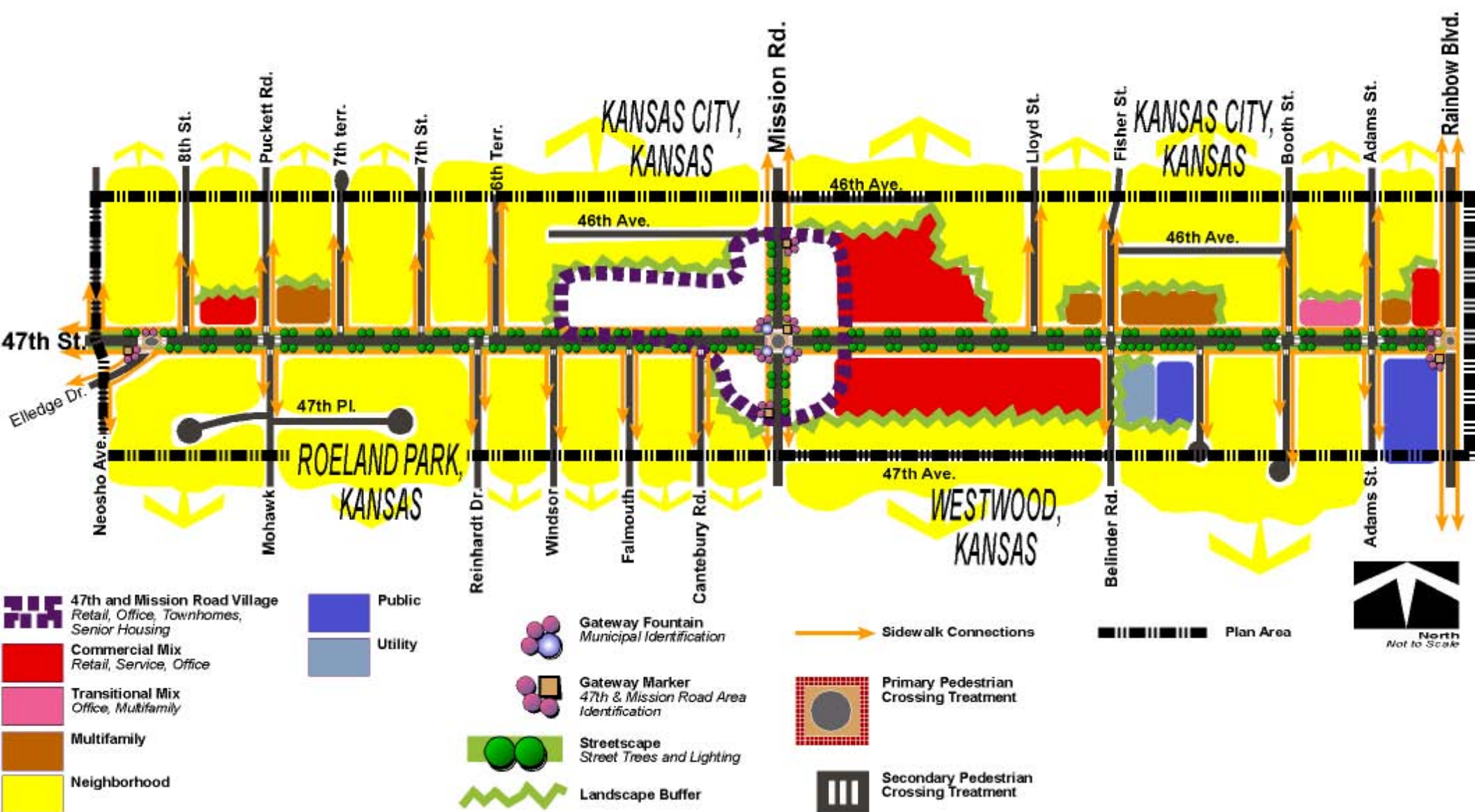


Catherine W. Singleton
Project Manager

Dated: October 12, 2007

Master Plan

In 2000, the municipalities of the City of Roeland Park, Kansas, the City of Westwood, Kansas, and the Unified Government of Wyandotte County and Kansas City, Kansas came together to create a new vision for the area around 47th & Mission Road, as this intersection provides a gateway to all three Cities. Gould Evans was commissioned to develop a Master Plan for the area, including landscaping, infrastructure improvements and design standards to create a walkable community. The three municipalities continue to work together through an appointed Management Committee on planning and redevelopment in the 47th & Mission corridor.



Retail and Commercial Market Study

Soon after Zimmer began work with the Management Committee, we commissioned a retail Market Study by Development Strategies. This Study explained that the Corridor could potentially build 150,000 square feet of new retail space. It found that the distance from a major arterial road and highway limited the ability to market to major retailers.

Zimmer also conducted a study of the existing retail and office market for the Corridor. We found 161,000 square feet of existing retail and office space in the area, which included properties on Rainbow.

Retail Market Development Opportunities

47TH & MISSION CORRIDOR

Roeland Park, Westwood, &
Kansas City, Kansas

Prepared for
Zimmer Real Estate Services

May 2006

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CONSULTANTS IN REAL ESTATE, COMMUNITY, AND ECONOMIC DEVELOPMENT
REAL ESTATE APPRAISAL

May 11, 2006

Mr. Daniel F. Musser
Ms. Catherine Singleton
Zimmer Real Estate Services
1220 Washington St., Suite 200
Kansas City, MO 64141-1299

Dear Dan and Catherine:

Accompanying is our brief report on the niche retail potential for upgrading the commercial development in the 47th Street and Mission Road Corridor straddling the Wyandotte and Johnson County lines west of Rainbow Avenue. We have analyzed available data on demographic characteristics as well as the differences between retail supply and demand in the market areas around the corridor.

The discussion of the 13 retail sectors reveals six that have varying degrees of realistic potential for niche development. If the 47th & Mission Corridor could satisfy some of the described unmet purchasing power, we estimate that the Corridor could build as much as 150,000 square feet of additional retail space. While drug store sales are included in this figure, individually they are too small to support a stand-alone store, but they might be incorporated into a more diversified format, such as a grocery store.

There is always the possibility that even more space could be developed, of course. But even reaching 150,000 square feet almost certainly requires encroaching on the sales already taking place in nearby places. That is not to say that such competition should be discouraged; but it is to say that business risks rise more rapidly when there is existing competition.

The biggest disadvantage for retailing in the 47th & Mission Corridor is its great distance from major highways or even major arterial roads. Mission Road, 47th Street, Rainbow Avenue, and others in the immediate area do not appear to be large enough nor to carry enough traffic to warrant major attention by retailers without an aggressive promotional campaign.

On the plus side, however, little can or will be allowed to develop on Shawnee Mission Parkway to the south. And expansion of the KU Medical Center all the way to and on Shawnee Mission Parkway reinforces major investments in the general area and, probably, a more intensive use of Rainbow Avenue, in particular, in coming years. Commercial development in the Corridor, therefore, might take a much harder look at the Rainbow intersection with 47th Street.

Richard C. Ward, CRE, CEC, AICP
Robert M. Lewis, AICP, CEC
Larry E. Marks, AIA, AICP
Brad Beggs, MAI

Brad Eilerman
Karin M. Hagaman

Building on the analysis of the various sectors, the following possible retail development program should be discussed and modified to match land use planning goals and realistic site development opportunities:

- Small specialty apparel and accessory stores could serve a dual function of serving a local market and also create a broader regional image for the 47th & Mission Corridor. A couple of such shops featuring one-of-a-kind clothing selections, especially women's clothing, might be incorporated into a cozy center that also features a neighborhood coffee shop, a locally run full service restaurant (ethnic?), a furnishings/art gallery, and a book store or florist. These all would fill some unmet buying power in the more immediate area of the Corridor.
- A neighborhood hardware store, such as represented by typical True Value or Ace Hardware stores (up to 15,000 square feet) could anchor a center at, say, Rainbow and 47th. The center could also include a small pharmacy, but market conditions suggest that an improved supermarket would be the best way to both capture more grocery and related sales along with an incorporated pharmacy. Also in this kind of center could be a chain restaurant (e.g., Applebee's or Outback), and might include a locally managed sports bar/restaurant. Perhaps a small electronics store, such as a phone store or Radio Shack, might be attracted to this setting as well.
- Care must be taken, however, with the wide range of demographic characteristics which frequently do not mix well in the same stores or, perhaps more importantly, are often not managed well by neighborhood stores. Identifying an experienced retail developer in urban and diverse settings may be the best way to clarify these opportunities and to bring proven experience to the challenges.

It has been a pleasure to work with you on this assignment to identify how the 47th and Mission Corridor can reassert its commercial identity. We look forward monitoring future changes.

Respectfully submitted on behalf of
DEVELOPMENT STRATEGIES, INC.

Robert M. Lewis, AICP, CEcD
Principal

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INTRODUCTION AND BACKGROUND

This report evaluates a number of retail sectors in and around the 47th & Mission Road corridor straddling the Wyandotte and Johnson County line between about Elledge and Rainbow Avenue to determine possible niche retail development opportunities based on market demand. The focus is on the retail buying power of households and on actual retail sales generated by stores within one, three, and five miles from the intersection of 47th and Mission.

We obtained estimates on demographics, retail trade potential (“buying power”), and actual retail sales from Claritas, Inc. and from STDB Online (the latter obtained from Zimmer Companies). The key dollar-based data indicate how much buying power exists for 12 sectors of retail trade in each of the radius areas and how much in actual sales are generated by stores in these areas. This memo is organized as follows, including the 12 sectors and the pages on which they are individually discussed:

We cannot warrant the precision of the data obtained from Claritas and STDB Online. But the information appears reasonable to us as a guide to preparing a niche retail strategy for the corridor’s economic improvement. A map of the one-, three-, and five-mile areas is on the following page.

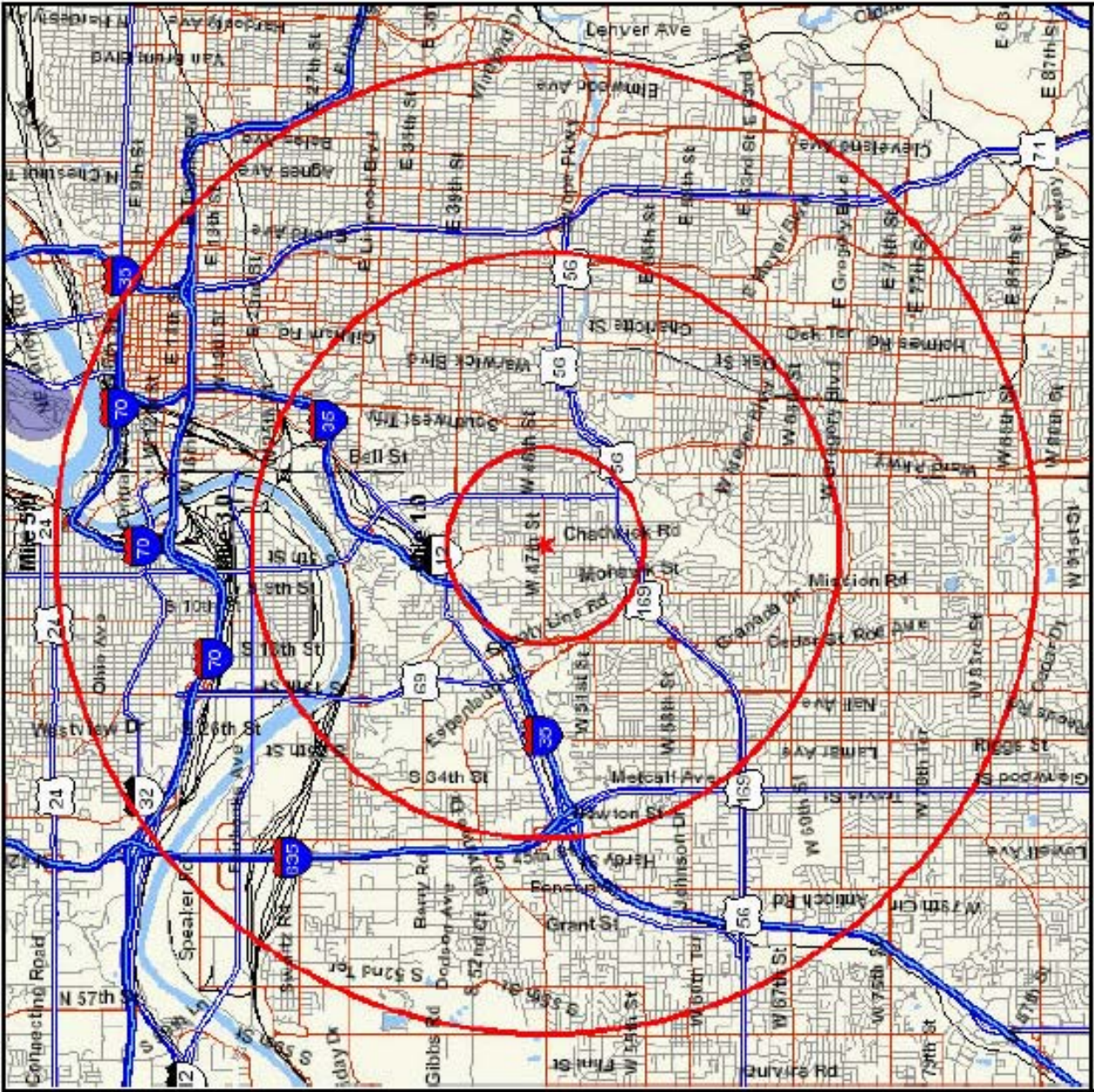
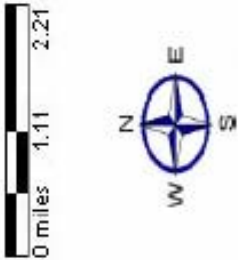
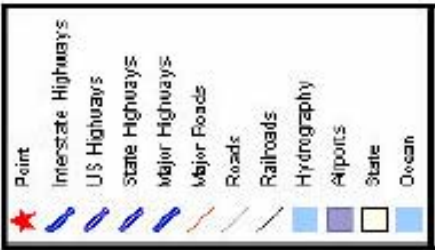
- The one mile area extends almost to 39th Street on the north, just past Shawnee Mission Parkway on the south, Route 69/Roe Avenue on the west, and almost to Country Club Plaza on the east.
- The three mile area extends almost to I-70 in Wyandotte County on the north, Gregory Boulevard on the south, the interchange of I-35 and I-635 on the west, and to almost to 71 Highway on the east.
- The five mile area extends to the confluence of the Kansas and Missouri Rivers on the north, to 87th Street on the south, almost to Quivera Road on the west, and to Van Brunt Boulevard on the east.

DEMOGRAPHICS

1. Population in the one-mile radius area is projected to grow 1.3% between 2005 and 2010 to about 15,300. Average household size would decline from 2.13 to 2.12 persons, so the household count is projected to increase by 1.6% to 7,220.
2. Population in the three mile radius, including the one mile population, is projected to decline very slightly (0.1%) between 2005 and 2010 to 105,225. This means a 0.4% decline in the area between one and three miles. Households in the three-mile area would actually increase in number by about 1.5%. So it is a relatively stable market outside the one-mile area, but the one-mile area demonstrates more growth potential
3. Population in the entire five mile radius is projected to decrease by 0.3% between 2005 and 2010 to 277,800, with households expanding 1.4% to 123,800. Thus, the area between three and five miles is expected also to lose a small amount of population, 0.5%.
4. While growing a little faster than the other radius areas, the one-mile radius’ per capita income is about 16% less than in the three mile radius (\$28,200 vs. 33,400). Per capita income in the entire three mile radius, in turn, is about 10% higher than in the five-mile radius which, at \$25,400 is lower than in the one-mile radius. The households in the three-mile area, therefore, have the greatest relative affluence although we expect that there is a notable difference in incomes between the northern area (lower) and the southern area (higher).

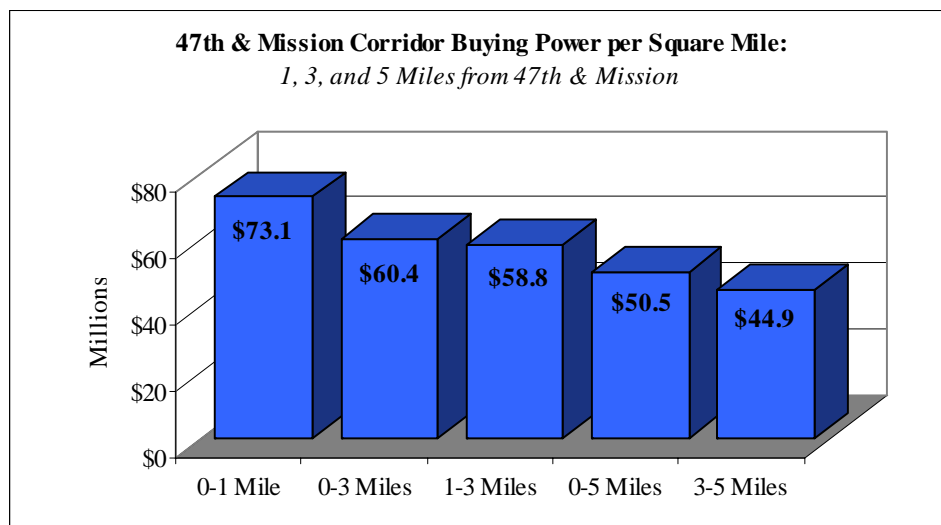
RETAIL DEVELOPMENT POTENTIAL OF THE 47TH & MISSION CORRIDOR

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ROELAND PARK, KS 6620
Coord: 39.044000, -94.62120
Radius - See Appendix for Det



RETAIL DEVELOPMENT POTENTIAL OF THE 47TH & MISSION CORRIDOR

5. Even with increasing per capita affluence out to three miles, the “density of buying power” is higher at closer locations. Claritas provides an overall retail spending total by households in each radius. Dividing that aggregate number by the square miles in each radius area yields a buying power density, or the number of retail spending dollars there are per square mile.



- a. In the one mile area, the spending power density is \$73.1 million per square mile.
 - b. In the three mile area, the density drops to \$60.4 million per square mile. The aggregate dollar total is larger because the geographic area is larger, but the density of that buying power is lower because a lower density of housing. Removing the relatively higher density of the one mile radius area, the buying power density of the area between one and three miles drops further to \$58.8 million per square mile.
 - c. In the entire five mile area, the density drops to \$50.5 million per square mile. Removing the entire three-mile area, however, leaves a density of just \$44.9 million per square mile in the area between three and five miles from the 47th & Mission corridor.
6. So, while the one-mile area is smaller, it has both an expanding population and more dollars available for retail spending per square mile. Moreover, income per capita increases fairly rapidly out to three miles. This combination of positive factors should be attractive to new and expanding retailers.
7. Development potential in this corridor may also be influenced, or even hindered, by the degree of dichotomy in certain demographic characteristics, especially those from north of 47th Street compared to the south. We queried Claritas for the following geographic areas (see maps on the next page):
- The north area encompasses an arbitrary line drawn from 47th Street on the south to about 38th Terrace on the north, and from about Roe Lane on the west to State Line on the east.
 - The south area was arbitrarily drawn from 47th Street on the north to Shawnee Mission Parkway on the south, and from Roe Boulevard on the west to State Line on the east.

While these boundaries are arbitrary, the purpose was to identify any notable differences in nearby demographic characteristics that might affect the ability to attract or support retail development or additional merchants in the Corridor.

The population of the north area in 2006 is about 8,160 while in the south it is 5,760. Both areas lost population between 2000 and 2006, but at low rates—down 1.7% in the north and 2.7% in the south.

RETAIL DEVELOPMENT POTENTIAL OF THE 47TH & MISSION CORRIDOR

Population density in the north is about 5,150 people per square mile while density in the south area is 4,800 per square mile (just 7% less). There are some 2,500 households per square mile in the north and 2,175 per square mile in the south (13% less).

The most striking difference is, by far, household income. Claritas estimates that the median household income north of 47th Street in 2006 is \$32,100 (average of \$40,000; per capita of \$19,400) while the median south of 47th Street is almost double at \$60,800 (average of \$80,600; per capita of \$36,500). Retailers can be very wary of trying to please both such markets in the same store except in large groupings of stores, like shopping malls. In smaller settings, retailers will tend to want to cater to one income group over the other since the two are not likely to mix very often.

NORTH AREA OF 47TH & MISSION CORRIDOR



Other notable differences are:

- Non-family households make up 57% of all households north of 47th Street but just 38% south of 47th Street.
- 65% of the population north of 47th Street is “white alone” while 98% are white south of 47th Street.
- 31% of the population north of 47th Street is Hispanic; less than 8% of the population south of 47th Street is Hispanic.
- The median age is much lower in the north area than in the south: 31.6 years vs. 40.7 years, suggesting that merchants would need to cater to divergent age-level interests.

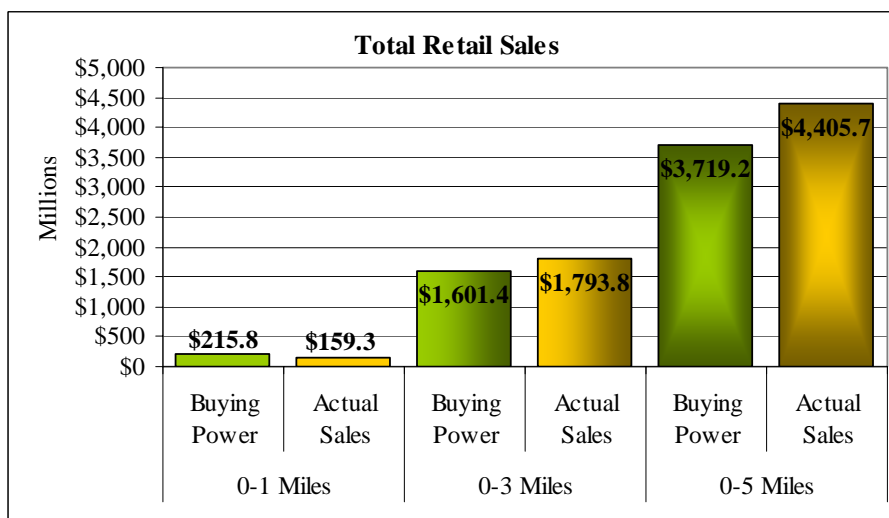
SOUTH AREA OF 47TH & MISSION CORRIDOR



TOTAL RETAIL SALES

Now let's turn to comparisons of retail buying power and actual sales in the three radius areas. The graph to the right shows that, effectively, total buying power generated among the population in the one-mile area is not fully captured at stores within the one-mile area.

That is, the population generates about \$215.8 million in purchasing power every year but stores within the same area generate sales of just \$159.3 million. Thus, buying power within the one-mile area is "leaked" to other areas, thus strengthening them as concentrations of stores.



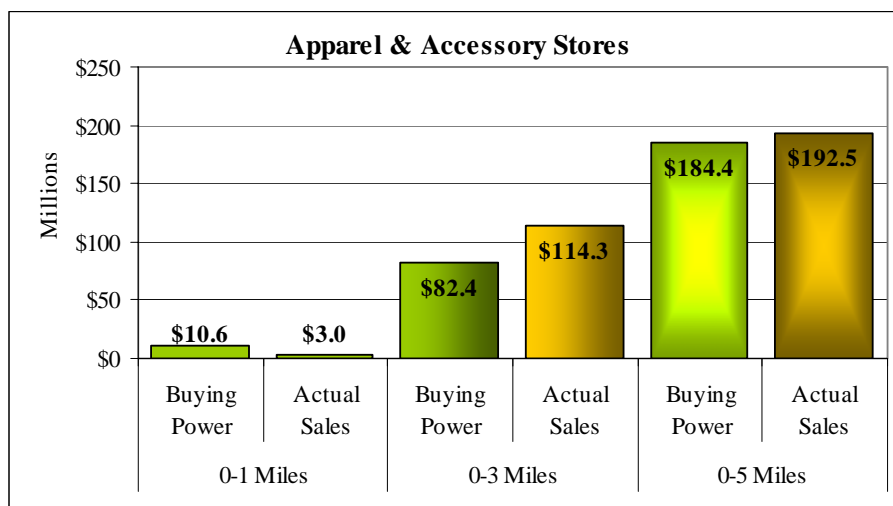
That shortfall is reversed to some degree in the three mile radius, which also includes the one-mile area. Within three miles of the Corridor, sales attracted to the area exceed buying power by about \$192.4 million per year. Theoretically, there are too many stores within the three-mile area to accommodate this demand closer to home, so shoppers from outside the area must be making up the additional sales.

This shortfall in buying power continues within five miles of 47th & Mission, and then some. There is an excess of some \$686.5 million per year in sales over buying power—clear evidence that the larger area has substantial shopping concentrations that attract customers from even further away—and also certainly from households within in the 47th & Mission corridor.

It might appear, therefore, that there are few if any opportunities for additional retail to be built or attracted to the Corridor. The review of the 13 retail sectors on the following pages, however, suggests differently. There may not be very large niche possibilities, but there are enough to warrant a targeted land use and economic development strategy that can improve the retailing in the Corridor.

APPAREL AND ACCESSORY STORES

include stores selling clothing, shoes, and related items for all types of people. The one-mile radius around 47th & Mission has \$10.6 million of buying power for apparel and accessory items. This represents the typical proportion of income spent by households in the area for apparel and accessories.



RETAIL DEVELOPMENT POTENTIAL OF THE 47TH & MISSION CORRIDOR

There are, so few stores within the one-mile radius that are classified as apparel and/or accessory stores, that sales within one mile total only about \$3.0 million, as shown on the graph.¹ This suggests immediately that a market niche may exist for apparel stores, probably for specialty stores run by local entrepreneurs.

While there are no apparel stores within one mile, this does not mean that people in the 47th & Mission Corridor are not buying apparel. They are just having to shop at stores outside the one mile radius (or at, say, general merchandise stores that sell clothing as part of a more diverse inventory). Indeed, between zero and three miles, there are some \$114.3 million in annual sales taking place at apparel stores, and the buying power is much less at \$82.4 million. This suggests that residents within the one-mile area are able to find a variety of apparel stores just outside that area.

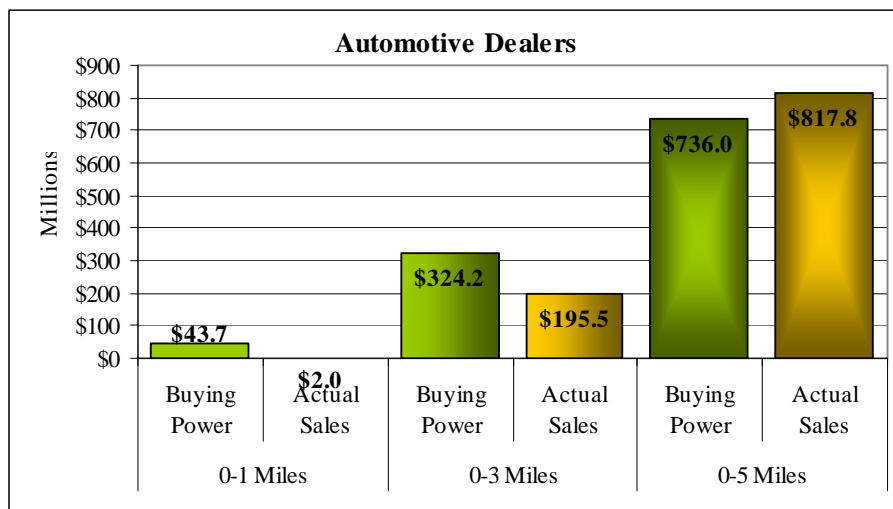
Actual sales and buying power in the area between zero and five miles are virtually in equilibrium, as shown on the graph. The gap identified out to three miles is effectively closed when extending to stores that are found out to the five-mile radius, even with the added buying power of the larger area. Between three and five miles, that is, the proportion of store sales to added buying power is not as great as from 1-to-3 miles. In that sense, there is effectively no buying power-to-sales gap that could be exploited in the 47th & Mission Corridor that could attract “outside buyers” in, though there is a small opportunity within one mile.

As a broad guide, an apparel store in an environment like the 47th & Mission Corridor would likely attract annual sales of about \$200 per square foot.² Thus, the gap between buying power and actual sales of \$7.6 million in the one-mile area could support stores totaling about 38,000 square feet. But many of these “lost” sales may already be captured within the three- or five-mile radii, so it might be unrealistic to expect to re-capture this scale within one mile. But a portion of the 38,000 square feet may be a realistic target.

AUTOMOTIVE DEALERS

show signs of niche opportunities for the 47th & Mission Corridor if, in fact, it is a place where (1) auto dealers want to be and (2) auto dealers would be welcome. They can be a poor land use in an urban neighborhood, though small used car dealers can be successful

Within the one mile radius, actual sales at automotive dealerships (including new and used cars, motorcycles, boats, RVs, and so on) total only \$2.0 million in annual sales, but the buying power within one mile is \$43.7 million.



¹ This isn't to say that clothing cannot be bought in the one-mile area, such as from a general merchandise department store, but that there are no stores specifically classified primarily as apparel stores in the one-mile area.

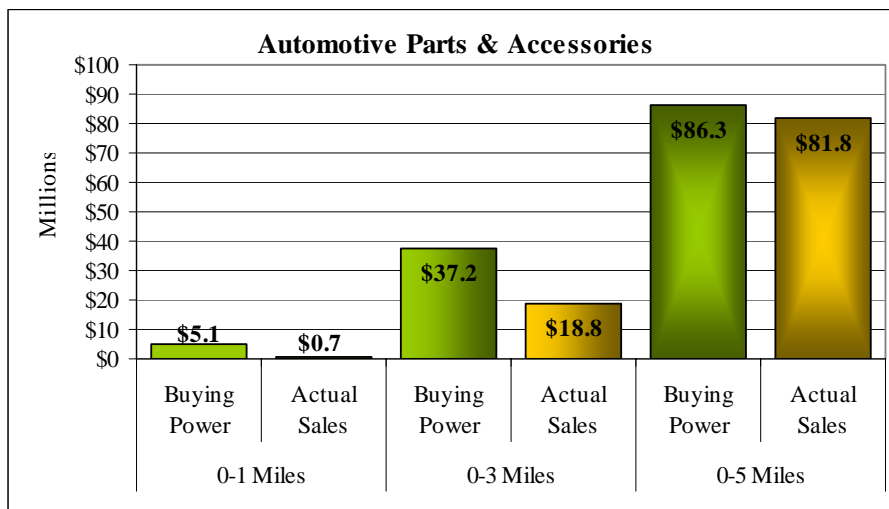
² Based on the Urban Land Institute's *Dollars & Cents of Shopping Centers 2004* for community shopping centers.

RETAIL DEVELOPMENT POTENTIAL OF THE 47TH & MISSION CORRIDOR

The gap is even wider in the three-mile radius where buying power outstrips actual sales by almost \$130 million. On the other hand, the “gap” turns the other way at the five-mile radius where sales are greater than the collective buying power within the entire circle. There are, however, opportunities for more sales within the three- and one-mile areas.

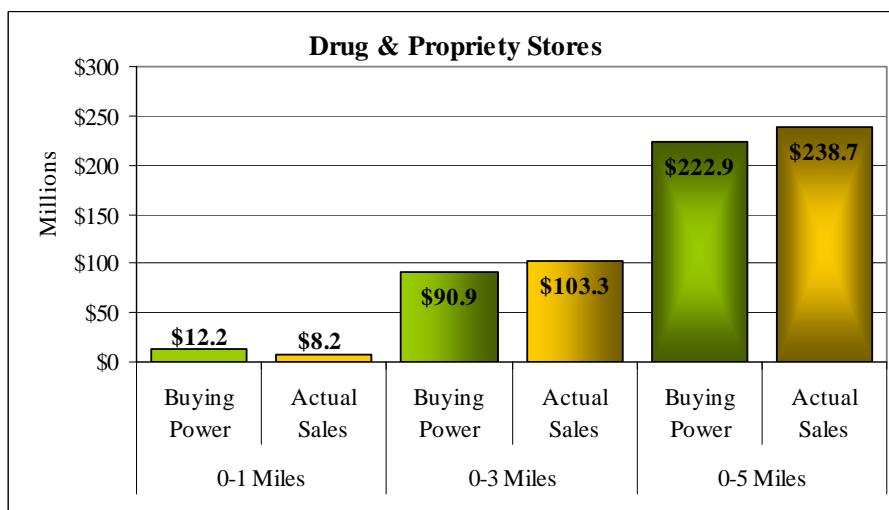
AUTOMOTIVE PARTS AND ACCESSORIES STORES yield a similar conclusion, though the internal gaps are a bit different. Within the one mile radius, buying power for automotive and home supply stores is \$5.1 million per year, but there are almost no such stores in that small geographic area. Theoretically, a store could be created that captures this small market demand; the \$4.4 million in excess in demand might support a store of about 18,000 square feet, which is more than twice the size of a typical Auto Zone store.

The gap widens at the three-mile level where buying power is double sales, thus increasing the opportunities for nearby auto parts stores. By the time that the five-mile radius is reached, however, relative equilibrium sets in—except that the buying power to sales gap is about the same nominal size at the gap at the one-mile radius.



DRUG AND PROPRIETY STORES generate fewer sales in the one-mile radius area than the buying power in that area by about \$4.0 million. But sales are above buying power levels at both the three-mile and five-mile radii. This suggests that a great deal of the buying power closest to the 47th & Mission Corridor is being absorbed by stores not too far away in the three- and five-mile areas.

The \$4.0 million gap within the one-mile radius translates to perhaps 10,000 square feet of store area using an average of \$400 per square foot, which is the annual median of drug and pharmacy stores in neighborhood shopping centers nationwide, using the Urban Land Institute’s *Dollars and Cents of Shopping Centers 2004*. A typical Walgreens store, however, is about 14,600 square feet while CVS stores generally range between 11,000 to 19,000 square feet.



A typical Walgreens store, however, is about 14,600 square feet while CVS stores generally range between 11,000 to 19,000 square feet.

RETAIL DEVELOPMENT POTENTIAL OF THE 47TH & MISSION CORRIDOR

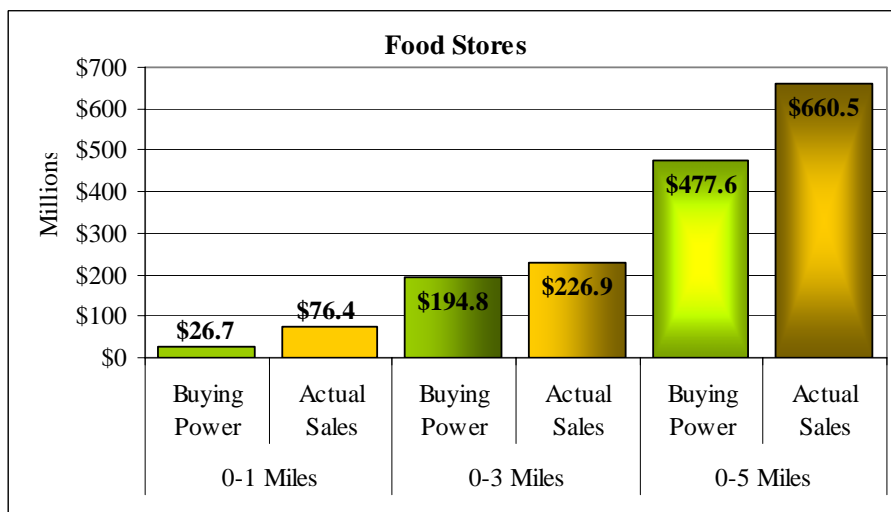
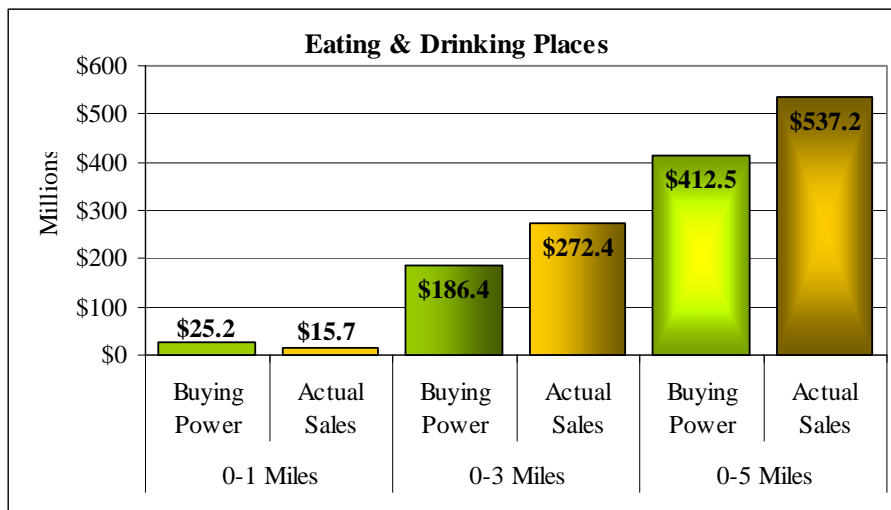
EATING AND DRINKING PLACES show a rather large excess of buying power in the one-mile radius area. But sales broadly exceed buying power in the rest of the three- and five-mile areas. This suggests that much of the potential demand generated in the one-mile area is being satisfied in the three- and five-mile areas, but might be brought closer to home with more establishments in the 47th & Mission Corridor.

The buying power gap in the one-mile area is about \$9.5 million per year. This could represent 26,000 to 30,000 square feet of eating and drinking space depending on the kinds of restaurants and bars that might be attracted to the Corridor. Using the ULI *Dollars and Cents* data for neighborhood locations:

- Restaurants with liquor attract a median of about \$275 per square foot and average about 3,200 square feet;
- Restaurants without liquor have a median of \$195 psf at 2,500 square feet;
- Sandwich shops have a median of \$245 psf at 1,400 square feet;
- Pizza parlors have a median of \$200 psf at 1,550 square feet; and
- Coffee shops reach about \$380 psf at almost 1,500 square feet.

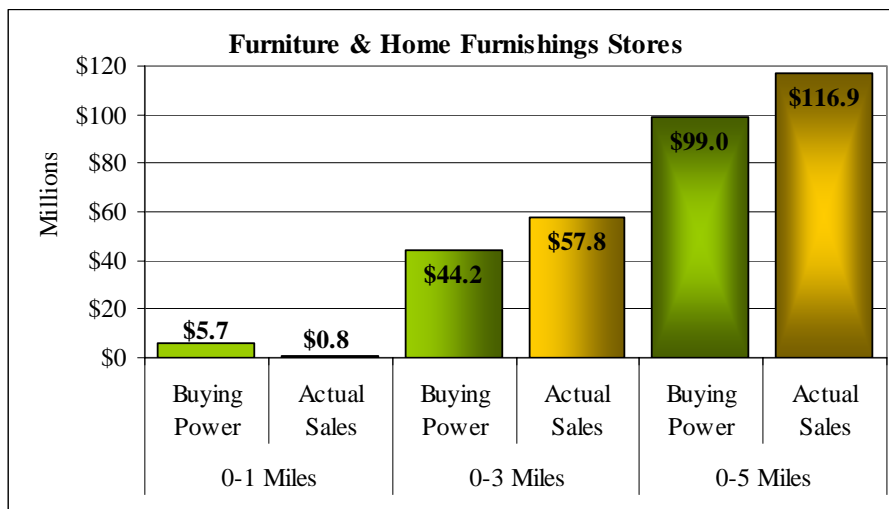
These are some examples of the kinds of eating and drinking places that might well be appropriate in a 47th & Mission neighborhood setting.

FOOD STORES do not appear to offer obvious opportunities for net new development in the 47th & Mission Corridor. Actual sales generated in all three radius areas greatly exceed the buying power of those areas. This is not to say, of course, that replacement food stores could not be attracted.



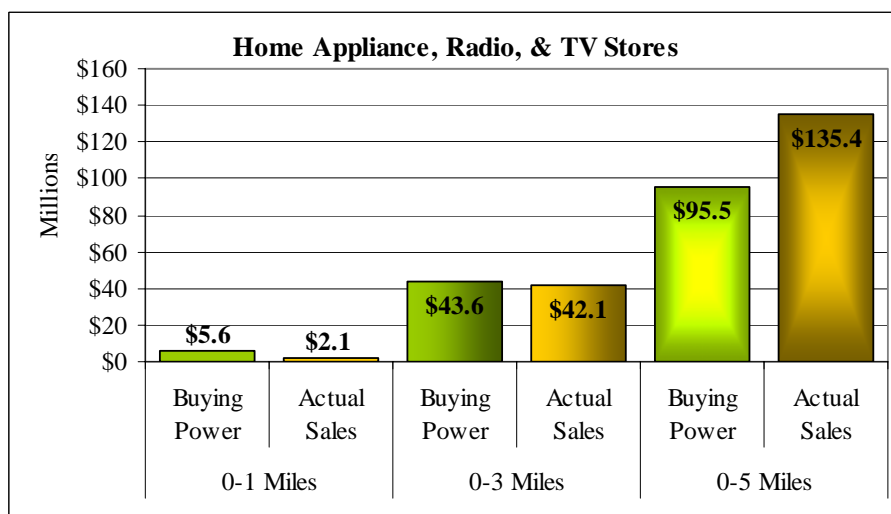
FURNITURE AND HOME FURNISHINGS STORES are under-represented by almost \$4 million dollars closest to the 47th & Mission Corridor within the one-mile radius, but this gap is more than made up in the more distance areas. Within the entire five-mile radius, for instance, actual sales exceed buying power by almost \$18 million per year.

Given the demographic differences from north to south in the Corridor, even the one-mile gap probably precludes opportunity for specialty furnishings stores or galleries in the Corridor. Still, the higher to the south offer a nearby market for specialty home accessories if such merchants are part of a larger “mall” or strip of synergistic uses. The \$3.9 million gap in the one-mile area translates to about 19,500 square feet of floor area at \$200 per square foot, the median for furniture kinds of stores in neighborhood settings, according to the Urban Land Institute.



HOME APPLIANCE, RADIO, AND TV STORES

tend, anymore, to be relatively large facilities (e.g., Best Buy or Circuit City). They, therefore, tend to be relatively few in number and to attract shoppers from many miles around. Moreover, people tend to be willing to travel relatively long distances to purchase electronic equipment, particularly larger and more expensive equipment, in order to obtain greater selection and better prices.



This appears to be the case in the five-mile radius around the 47 & Mission Corridor. The one-mile area, in fact, demonstrates only a relatively small amount of such sales with buying power exceeding sales by \$3.5 million. The three-mile radius shows virtual equilibrium in buying power vs. sales—so that area does not address the potential demand.

But the five-mile area as a whole shows an excess of some \$40 million in sales over buying power in this category, more than making up for deficiencies in the two smaller areas. This excess is undoubtedly attributable to large electronics stores serving large regional geographies.

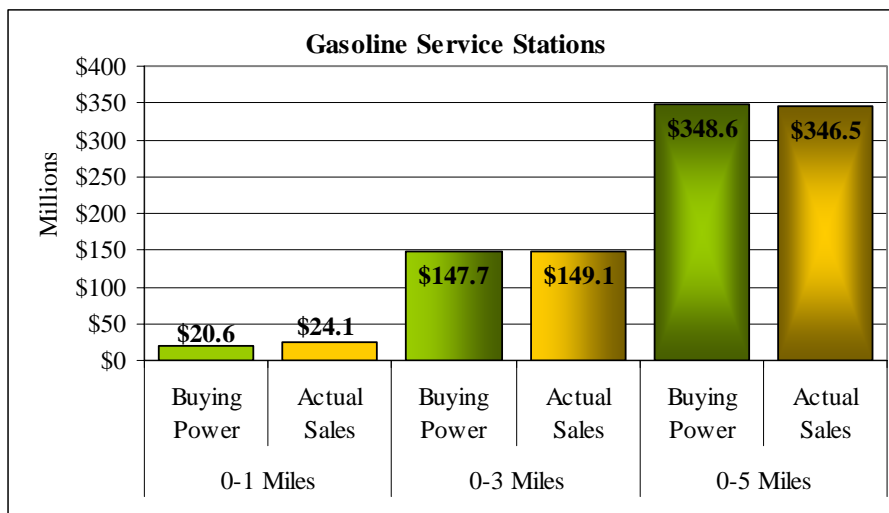
RETAIL DEVELOPMENT POTENTIAL OF THE 47TH & MISSION CORRIDOR

In any event, this does not appear to be an obvious opportunity sector for the 47th & Mission Corridor except for very small and specialized stores that, these days, are few and far between—though something like a Radio Shack may have possibilities. The typical Radio Shack has a little more than 2,000 square feet; the \$3.5 million excess buying power in the one-mile radius would support around 8,000 to 10,000 square feet.

GASOLINE SERVICE

STATIONS appear to be in virtual equilibrium throughout the 47th & Mission Corridor. The graph to the right shows that buying and power and sales are all but the same in all three radius area.

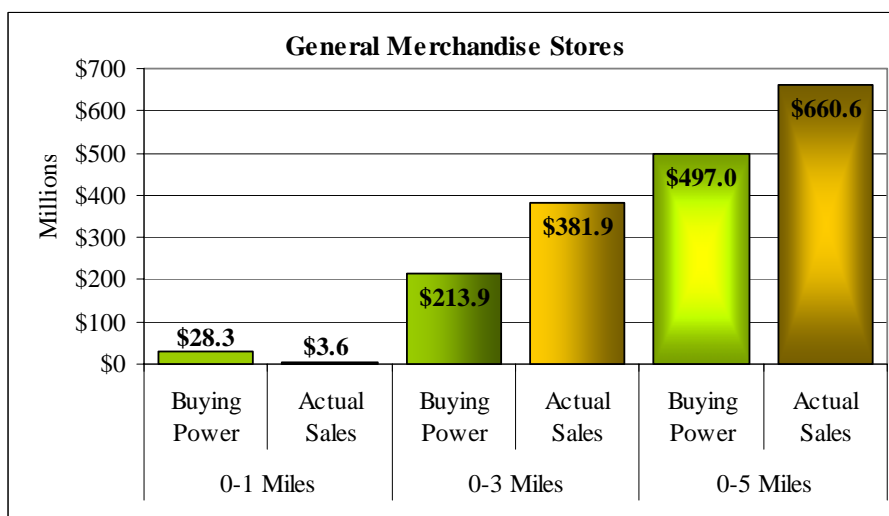
In short, there is no need for more gas stations in the market area.



GENERAL MERCHANDISE

STORES are primarily represented by the large department stores, both the traditionally types like Sears, J.C. Penney, or Jones, and the big box type like Target, Kohl's, and Wal-Mart.

General merchandise buying power in the one-mile radius is almost eight times greater than actual sales. But this gap is more than made up in both the three- and five-mile areas where sales sharply outpace buying power. Residents of the one-mile area, therefore, do not have far to go to satisfy their demand for general merchandise goods and services.

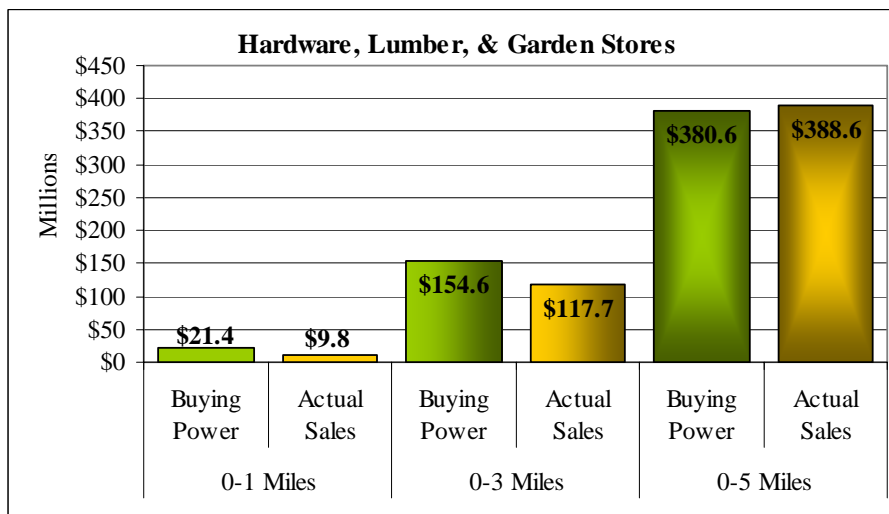


HARDWARE, LUMBER, AND GARDEN STORES

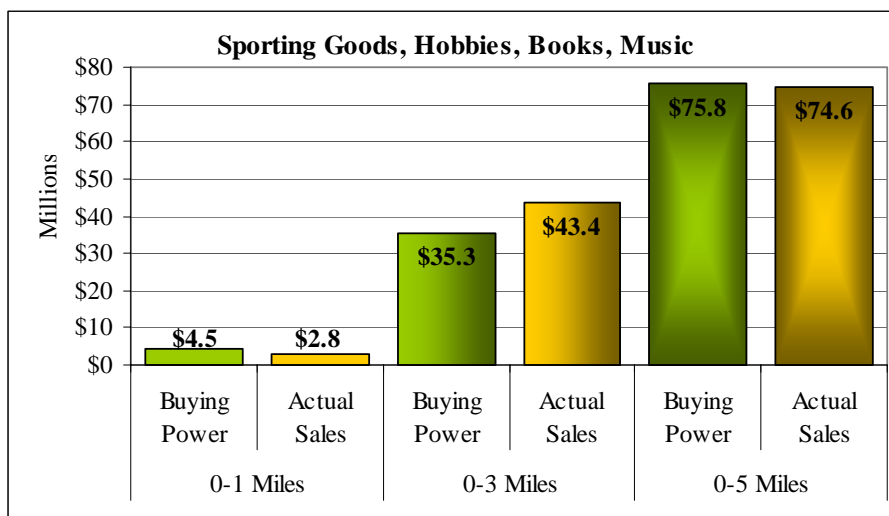
appear to be generally satisfying the demand generated within five miles of the 47th & Mission Corridor. But buying power exceeds actual sales closer to the Corridor, out to three miles.

Still, there may be opportunities for smaller hardware and/or garden stores within the corridor to serve both the one- and three-mile areas. In the one-mile radius, the

\$11.6 million excess of demand over sales could support a hardware store of up to 40,000 square feet—which is much larger than most neighborhood hardware stores. The \$36.9 million gap in the three-mile area is more than enough to support a single Home Depot, where the largest stores are around 100,000 square feet but can easily be smaller. At \$300 per square foot, the \$36.9 million gap could support a store of 123,000 square feet.

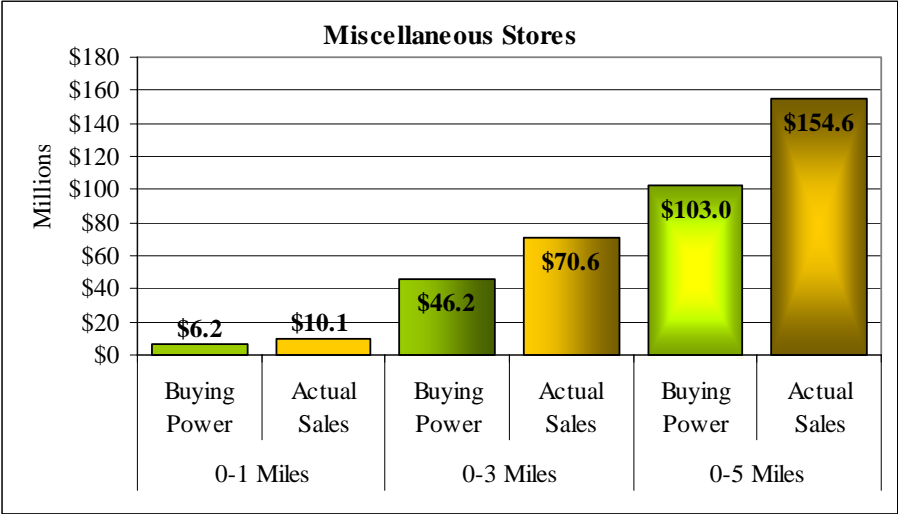


SPORTING GOODS, HOBBIES, BOOKS, AND MUSIC STORES also seem to be in general equilibrium when evaluating the entire five-mile radius. There is a \$1.7 million underserved market in the one-mile area, but this is more than covered at the three-mile area. By five miles, the market is essentially stable.



MISCELLANEOUS STORES

include a wide range of retailers. The list obtained from Claritas is repeated below, to give some examples. The stores that meet this definition within one mile 47th & Mission are already satisfying the buying power of the populace within that area with \$3.9 million to spare. This excess is repeated at similar ratios in both the other radius areas, suggested no room at all in the market for additional miscellaneous stores.



- Liquor Stores
- Used Merchandise Stores
- Antique Stores
- Miscellaneous Shopping Goods Stores
- Stationery Stores
- Jewelry Stores
- Camera and Photography Supply Stores
- Gift, Novelty and Souvenir Shops
- Luggage and Leather Goods Stores
- Sewing, Needlework and Craft Stores

- NonStore Retailers
- Catalog and Mail Order Houses
- Fuel and Ice Dealers
- Florists
- Tobacco Stores and Stands
- News Dealers and Newsstands
- Optical Goods Stores
- Pet Shops
- Miscellaneous Stores not elsewhere classified

CONCLUSIONS AND SUGGESTIONS

The discussion of the 13 retail sectors reveals six that have varying degrees of realistic potential for niche development. If the 47th & Mission Corridor could satisfy some of the described unmet purchasing power we estimate that the Corridor could build as much as 150,000 square feet of retail space. While drug store sales are included in this figure, individually they are too small to support a stand-alone store, but they might be incorporated into a more diversified format, such as a grocery store.

There is always the possibility that even more space could be developed, of course. But even reaching 150,000 square feet almost certainly requires encroaching on the sales already taking place in nearby places. That is not to say that such competition should be discouraged; but it is to say that business risks rise more rapidly when there is existing competition.

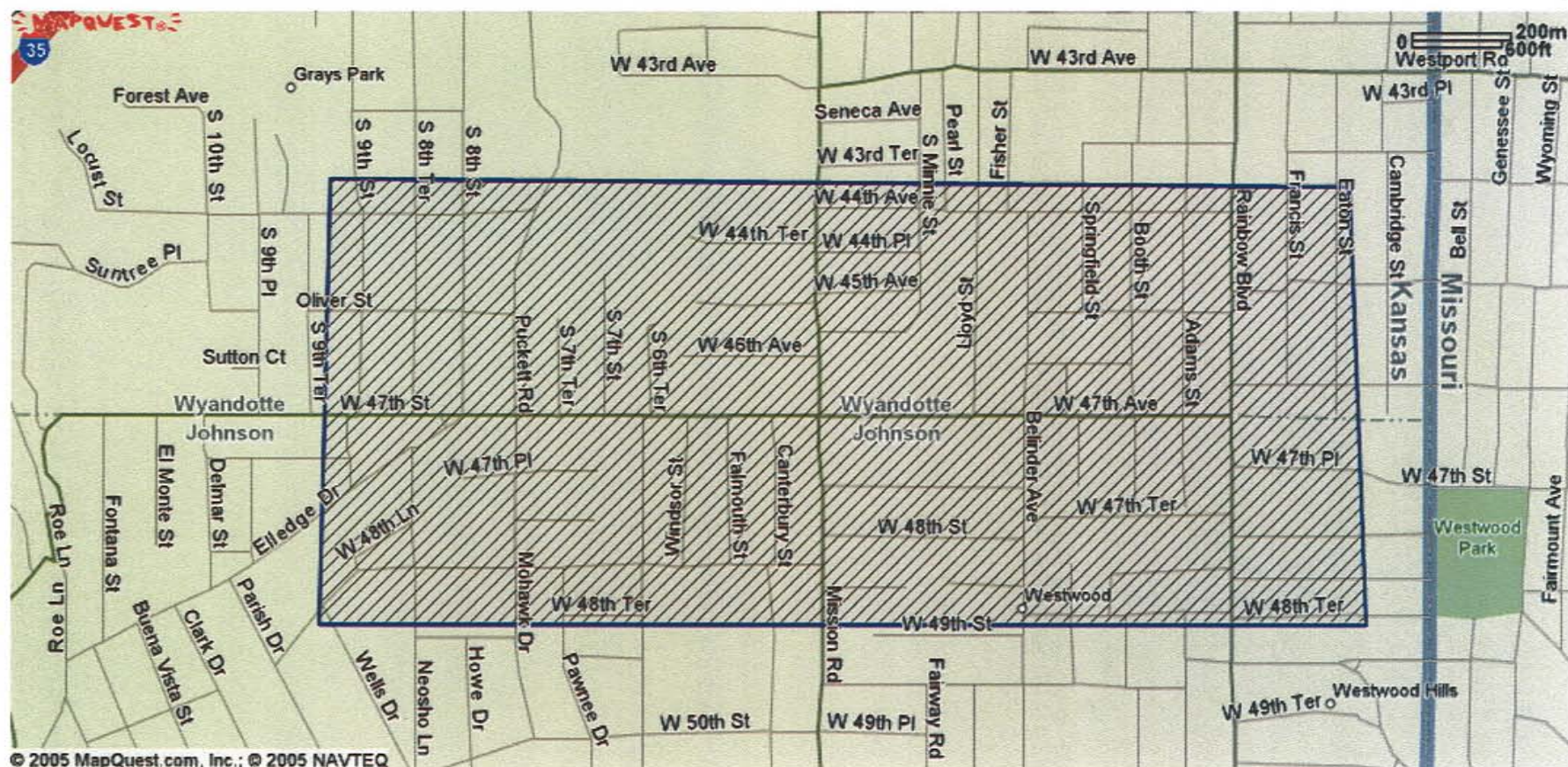
The biggest disadvantage for retailing in the 47th & Mission Corridor is its great distance from major highways or even major arterial roads. Mission Road, 47th Street, Rainbow Avenue, and others in the immediate area do not appear to be large enough nor carry enough traffic to warrant major attention by retailers. But, little can or will be allowed to develop on Shawnee Mission Parkway to the south. And expansion of the KU Medical Center all the way to and on Shawnee Mission Parkway reinforces major investments in the general area and, probably, more intensive use of Rainbow Avenue over Mission. Commercial development in the Corridor, therefore, might take a much harder look at the Rainbow intersection with 47th Street.

Building on the analysis of the various sectors on the previous pages, the following possible retail development program should be discussed and modified to match land use planning goals and realistic site development opportunities:

- Small specialty apparel and accessory stores could serve a dual function of serving a local market but also creating a broader regional image for the 47th & Mission Corridor. A few such shops featuring one-of-a-kind clothing selections, especially women's clothing, might be incorporated into a cozy center that also features a neighborhood coffee shop, a locally run full service restaurant (ethnic?), a furnishings/art gallery, and a book store or florist. These all would fill some unmet buying power in the more immediate area of the Corridor.
- A neighborhood hardware store, such as represented by typical True Value or Ace Hardware stores (up to 15,000 square feet), could anchor a center at Rainbow and 47th. The center could also include a small pharmacy, but market conditions suggest that an improved supermarket would be the best way to both capture more grocery and related sales along with an incorporated pharmacy. Also in this kind of center could be a chain restaurant (e.g., Applebee's or Outback), and might include a locally managed sports bar/restaurant. Perhaps a small electronics store, such as a phone store or Radio Shack, might be attracted to this setting as well.
- Care must be taken, however, with the wide range of demographic characteristics which frequently do not mix well in the same stores or, perhaps more importantly, are often not managed well by neighborhood stores. Identifying an experienced retail developer in urban and diverse settings may be the best way to clarify these opportunities and to bring proven experience to the challenges.

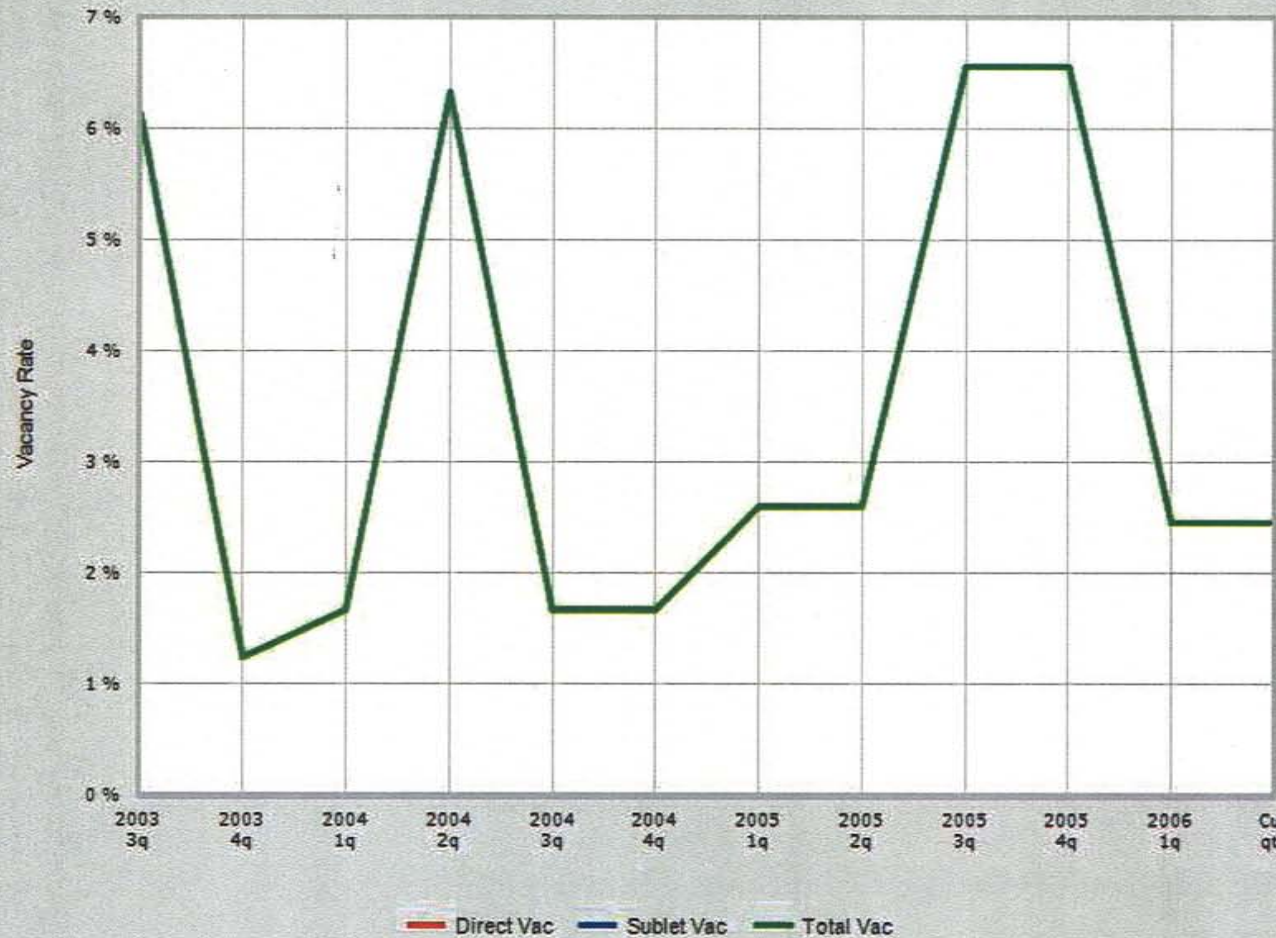
47th & Mission Existing Commercial

4/13/2006



47th & Mission Existing Commercial

Vacancy Rates



occupancy

Existing Bldgs:	19 of 19	
# Spaces:	6	
Existing RBA:	161,089	
Vacant:	<3,962>	2%
Occupied:	157,127	98%
Leased:	157,127	98%

availability

Vacant Avail:	3,962	2%
Total Avail:	6,424	4%
Direct Avail:	6,424	4%
Sublet Avail:	0	0%
Average Time:	14.7 Months	

leasing activity

Leasing YTD:	6,977	4%
Net Absorp YTD:	6,600	4%

direct gross rent

Office range:	\$8.46/yr
Office Avg:	\$8.46/yr

Aggregate Absorption Report

Summary totals for existing properties

Quarter	Existing Inventory		Delivered Inventory		Tot. Occupied SF	Leasing Activity			Net Absorption			Gross Absorption			Average Rate		
	# of Bldgs	RBA	# of Bldgs	RBA		Direct	Sublet	Total	Direct	Sublet	Total	Direct	Sublet	Total	Direct	Sublet	Total
Current	19	161,089	0	0	157,127	0	0	0	0	0	0	0	377	377	\$8.46/fs	-	\$8.46/fs
2006 1Q	19	161,089	0	0	157,127	6,600	377	6,977	6,600	0	6,600	6,600	0	6,600	\$8.46/fs	-	\$8.46/fs
2005 4Q	19	161,089	0	0	150,527	0	0	0	0	0	0	0	0	0	\$8.46/fs	-	\$8.46/fs
2005 3Q	19	161,089	0	0	150,527	0	0	0	(6,370)	0	(6,370)	230	0	230	\$8.46/fs	-	\$8.46/fs
2005 2Q	19	161,089	0	0	156,897	0	0	0	0	0	0	0	0	0	\$8.46/fs	-	\$8.46/fs
2005 1Q	19	161,089	0	0	156,897	900	0	900	(1,500)	0	(1,500)	900	0	900	-	-	-
2004 4Q	19	161,089	0	0	158,397	0	0	0	0	0	0	0	0	0	-	-	-
2004 3Q	19	161,089	0	0	158,397	0	0	0	7,500	0	7,500	7,500	0	7,500	-	-	-
2004 2Q	19	161,089	0	0	150,897	7,500	0	7,500	(7,500)	0	(7,500)	0	0	0	-	-	-
2004 1Q	19	161,089	0	0	158,397	0	0	0	(692)	0	(692)	2,000	0	2,000	-	-	-
2003 4Q	19	161,089	0	0	159,089	3,000	0	3,000	7,877	0	7,877	7,877	0	7,877	-	-	-
2003 3Q	19	161,089	0	0	151,212	2,200	0	2,200	(7,420)	0	(7,420)	2,200	0	2,200	-	-	-

Aggregate Historical Vacancy Report

Summary totals for existing properties

Period	Properties	RBA	SF Vacant			% Vacant			SF Vacant Available			% Vacant Available			Average Rate		
			Direct	Sublet	Total	Direct	Sublet	Total	Direct	Sublet	Total	Direct	Sublet	Total	Direct	Sublet	Total
Current	19	161,089	3,962	0	3,962	2.5%	0.0%	2.5%	3,962	0	3,962	2.5%	0.0%	2.5%	\$8.46/fs	-	\$8.46/fs
2006 1Q	19	161,089	3,962	0	3,962	2.5%	0.0%	2.5%	3,962	0	3,962	2.5%	0.0%	2.5%	\$8.46/fs	-	\$8.46/fs
2005 4Q	19	161,089	10,562	0	10,562	6.6%	0.0%	6.6%	10,562	0	10,562	6.6%	0.0%	6.6%	\$8.46/fs	-	\$8.46/fs
2005 3Q	19	161,089	10,562	0	10,562	6.6%	0.0%	6.6%	10,562	0	10,562	6.6%	0.0%	6.6%	\$8.46/fs	-	\$8.46/fs
2005 2Q	19	161,089	4,192	0	4,192	2.6%	0.0%	2.6%	4,192	0	4,192	2.6%	0.0%	2.6%	\$8.46/fs	-	\$8.46/fs
2005 1Q	19	161,089	4,192	0	4,192	2.6%	0.0%	2.6%	4,192	0	4,192	2.6%	0.0%	2.6%	-	-	-
2004 4Q	19	161,089	2,692	0	2,692	1.7%	0.0%	1.7%	2,692	0	2,692	1.7%	0.0%	1.7%	-	-	-
2004 3Q	19	161,089	2,692	0	2,692	1.7%	0.0%	1.7%	2,692	0	2,692	1.7%	0.0%	1.7%	-	-	-
2004 2Q	19	161,089	10,192	0	10,192	6.3%	0.0%	6.3%	2,692	0	2,692	1.7%	0.0%	1.7%	-	-	-
2004 1Q	19	161,089	2,692	0	2,692	1.7%	0.0%	1.7%	2,692	0	2,692	1.7%	0.0%	1.7%	-	-	-
2003 4Q	19	161,089	2,000	0	2,000	1.2%	0.0%	1.2%	2,000	0	2,000	1.2%	0.0%	1.2%	-	-	-
2003 3Q	19	161,089	9,877	0	9,877	6.1%	0.0%	6.1%	9,877	0	9,877	6.1%	0.0%	6.1%	-	-	-

Aggregated Vacancy Report

Properties	Space Type	Vacant		Vacant Available		Total Available		Avg Rate	Leasing Activity		Net Absorption	
		SF	%	SF	%	SF	%		QTD	YTD	QTD	YTD
19 existing properties representing 161,089 SF	Direct	3,962	2.5%	3,962	2.5%	6,424	4.0%	\$8.46/fs	0	6,600	0	6,600
	Sublet	0	0.0%	0	0.0%	0	0.0%	-	0	377	0	0
	Total	3,962	2.5%	3,962	2.5%	6,424	4.0%	\$8.46/fs	0	6,977	0	6,600

Availability and Vacancy Analysis

Grand Totals

	Bldgs	Existing Rentable Bldg Area	Direct SF Vacant	Vacant Rate %	Direct w/ Sublet SF Vacant	Vacant % with Sublet	Total SF Available	Direct SF Available	Sublet SF Available	Max SF Contig	Avg Rate
	19	161,089	3,962	2.5%	3,962	2.5%	6,300	6,424	0	2,462	\$8.46/fs

Availability and Vacancy Building List

Building Address	Existing Rentable Bldg Area	Direct SF Vacant	Direct % Vacant	Total SF Vacant	Total % Vacant	Total SF Available	Direct SF Available	Sublet SF Available	Max SF Contig	Avg Rate
2440 W 47th Ave	4,560	0	0.0%	0	0.0%	0	0	0	0	
2540 W 47th Ave	3,540	0	0.0%	0	0.0%	0	0	0	0	
2546 W 47th Ave	1,960	0	0.0%	0	0.0%	0	0	0	0	
2812 W 47th Ave	9,600	0	0.0%	0	0.0%	0	0	0	0	
2809 W 47th St	12,000	0	0.0%	0	0.0%	0	0	0	0	
2816-2872 W 47th St	51,908	0	0.0%	0	0.0%	0	0	0	0	\$5.50/n
4612 Mission Rd	440	0	0.0%	0	0.0%	0	0	0	0	
4620 Mission Rd	5,000	0	0.0%	0	0.0%	0	0	0	0	
4627 Mission Rd	8,000	0	0.0%	0	0.0%	0	0	0	0	
4700-4704 Mission Rd	4,500	0	0.0%	0	0.0%	0	0	0	0	
4705 Mission Rd	3,000	1,500	50.0%	1,500	50.0%	1,500	1,500	0	1,500	
4710 Mission Rd	3,200	0	0.0%	0	0.0%	0	0	0	0	
4472 Rainbow Blvd	2,400	0	0.0%	0	0.0%	0	0	0	0	
4527 Rainbow Blvd	6,000	0	0.0%	0	0.0%	0	0	0	0	
4600 Rainbow Blvd	6,500	0	0.0%	0	0.0%	0	0	0	0	
4601 Rainbow Blvd	2,761	0	0.0%	0	0.0%	0	0	0	0	
4720 Rainbow Blvd	20,000	0	0.0%	0	0.0%	0	0	0	0	
4800 Rainbow Blvd	10,920	0	0.0%	0	0.0%	0	0	0	0	
4801-4805 Rainbow Blvd	4,800	2,462	51.3%	2,462	51.3%	4,800	4,924	0	2,462	\$8.46/fs
Grand Totals (19 Bldgs)	161,089	3,962	2.5%	3,962	2.5%	6,300	6,424	0	2,462	\$8.46/fs

Building Vacancy Report

Building	Space Type	Vacant		Vacant Available		Total Available		Avg Rate	Asking Rent	Leasing Activity		Net Absorption	
		SF	%	SF	%	SF	%			QTD	YTD	QTD	YTD
2440 W 47th Ave Tao Academy / Dr. Weaver Kansas City, KS 66103 4,560 SF RBA	Direct	0	0.0%	0	0.0%	0	0.0%	-	-	0	0	0	0
	Sublet	0	0.0%	0	0.0%	0	0.0%	-	-	0	0	0	0
	Total	0	0.0%	0	0.0%	0	0.0%	-	-	0	0	0	0
2540 W 47th Ave Silva's Foods Kansas City, KS 66103 3,540 SF RBA	Direct	0	0.0%	0	0.0%	0	0.0%	-	-	0	0	0	0
	Sublet	0	0.0%	0	0.0%	0	0.0%	-	-	0	0	0	0
	Total	0	0.0%	0	0.0%	0	0.0%	-	-	0	0	0	0
2546 W 47th Ave Luther & Luther Attorneys Kansas City, KS 66103 1,960 SF RBA	Direct	0	0.0%	0	0.0%	0	0.0%	-	-	0	0	0	0
	Sublet	0	0.0%	0	0.0%	0	0.0%	-	-	0	0	0	0
	Total	0	0.0%	0	0.0%	0	0.0%	-	-	0	0	0	0
2812 W 47th Ave Marketing Specialists Kansas City, KS 66103 9,600 SF RBA	Direct	0	0.0%	0	0.0%	0	0.0%	-	-	0	0	0	0
	Sublet	0	0.0%	0	0.0%	0	0.0%	-	-	0	0	0	0
	Total	0	0.0%	0	0.0%	0	0.0%	-	-	0	0	0	0
2809 W 47th St Retail Grocers Association of Westwood, KS 66205 12,000 SF RBA	Direct	0	0.0%	0	0.0%	0	0.0%	-	-	0	0	0	0
	Sublet	0	0.0%	0	0.0%	0	0.0%	-	-	0	0	0	0
	Total	0	0.0%	0	0.0%	0	0.0%	-	-	0	0	0	0
2816-2872 W 47th St Fairway North Shopping Center Kansas City, KS 66103 51,908 SF RBA	Direct	0	0.0%	0	0.0%	0	0.0%	\$5.50/fs	\$5.50/n	0	6,600	0	6,600
	Sublet	0	0.0%	0	0.0%	0	0.0%	-	-	0	0	0	0
	Total	0	0.0%	0	0.0%	0	0.0%	\$5.50/fs	\$5.50/n	0	6,600	0	6,600
4612 Mission Rd Kansas City, KS 66103 440 SF RBA	Direct	0	0.0%	0	0.0%	0	0.0%	-	-	0	0	0	0
	Sublet	0	0.0%	0	0.0%	0	0.0%	-	-	0	0	0	0
	Total	0	0.0%	0	0.0%	0	0.0%	-	-	0	0	0	0
4620 Mission Rd Kansas City, KS 66103 5,000 SF RBA	Direct	0	0.0%	0	0.0%	0	0.0%	-	-	0	0	0	0
	Sublet	0	0.0%	0	0.0%	0	0.0%	-	-	0	0	0	0
	Total	0	0.0%	0	0.0%	0	0.0%	-	-	0	0	0	0
4627 Mission Rd Quality Litho Kansas City, KS 66103 8,000 SF RBA	Direct	0	0.0%	0	0.0%	0	0.0%	-	-	0	0	0	0
	Sublet	0	0.0%	0	0.0%	0	0.0%	-	-	0	0	0	0
	Total	0	0.0%	0	0.0%	0	0.0%	-	-	0	0	0	0

Building Vacancy Report

Building	Space Type	Vacant		Vacant Available		Total Available		Avg Rate	Asking Rent	Leasing Activity		Net Absorption	
		SF	%	SF	%	SF	%			QTD	YTD	QTD	YTD
4700-4704 Mission Rd Shawnee, KS 66205 4,500 SF RBA	Direct	0	0.0%	0	0.0%	0	0.0%	-	-	0	0	0	0
	Sublet	0	0.0%	0	0.0%	0	0.0%	-	-	0	0	0	0
	Total	0	0.0%	0	0.0%	0	0.0%	-	-	0	0	0	0
4705 Mission Rd Westwood, KS 66205 3,000 SF RBA	Direct	1,500	50.0%	1,500	50.0%	1,500	50.0%	-	-	0	0	0	0
	Sublet	0	0.0%	0	0.0%	0	0.0%	-	-	0	0	0	0
	Total	1,500	50.0%	1,500	50.0%	1,500	50.0%	-	-	0	0	0	0
4710 Mission Rd Capitol Painting Shawnee, KS 66205 3,200 SF RBA	Direct	0	0.0%	0	0.0%	0	0.0%	-	-	0	0	0	0
	Sublet	0	0.0%	0	0.0%	0	0.0%	-	-	0	0	0	0
	Total	0	0.0%	0	0.0%	0	0.0%	-	-	0	0	0	0
4472 Rainbow Blvd Kansas City, KS 66103 2,400 SF RBA	Direct	0	0.0%	0	0.0%	0	0.0%	-	-	0	0	0	0
	Sublet	0	0.0%	0	0.0%	0	0.0%	-	-	0	0	0	0
	Total	0	0.0%	0	0.0%	0	0.0%	-	-	0	0	0	0
4527 Rainbow Blvd Dental Arts Bldg Kansas City, KS 66103 6,000 SF RBA	Direct	0	0.0%	0	0.0%	0	0.0%	-	-	0	0	0	0
	Sublet	0	0.0%	0	0.0%	0	0.0%	-	-	0	0	0	0
	Total	0	0.0%	0	0.0%	0	0.0%	-	-	0	0	0	0
4600 Rainbow Blvd Kansas City, KS 66103 6,500 SF RBA	Direct	0	0.0%	0	0.0%	0	0.0%	-	-	0	0	0	0
	Sublet	0	0.0%	0	0.0%	0	0.0%	-	-	0	0	0	0
	Total	0	0.0%	0	0.0%	0	0.0%	-	-	0	0	0	0
4601 Rainbow Blvd Youth Front Bldg Kansas City, KS 66103 2,761 SF RBA	Direct	0	0.0%	0	0.0%	0	0.0%	-	-	0	0	0	0
	Sublet	0	0.0%	0	0.0%	0	0.0%	-	-	0	0	0	0
	Total	0	0.0%	0	0.0%	0	0.0%	-	-	0	0	0	0
4720 Rainbow Blvd KU Med Center - Dialysis Cent Westwood, KS 66205 20,000 SF RBA	Direct	0	0.0%	0	0.0%	0	0.0%	-	-	0	0	0	0
	Sublet	0	0.0%	0	0.0%	0	0.0%	-	-	0	0	0	0
	Total	0	0.0%	0	0.0%	0	0.0%	-	-	0	0	0	0
4800 Rainbow Blvd Westwood Colonial Bldg Mission, KS 66205 10,920 SF RBA	Direct	0	0.0%	0	0.0%	0	0.0%	-	-	0	0	0	0
	Sublet	0	0.0%	0	0.0%	0	0.0%	-	-	0	377	0	0
	Total	0	0.0%	0	0.0%	0	0.0%	-	-	0	377	0	0

Building Vacancy Report

Building	Space Type	Vacant		Vacant Available		Total Available		Avg Rate	Asking Rent	Leasing Activity		Net Absorption	
		SF	%	SF	%	SF	%			QTD	YTD	QTD	YTD
4801-4805 Rainbow Blvd Falcon Plaza Westwood, KS 66205 4,800 SF RBA	Direct	2,462	51.3%	2,462	51.3%	4,924	102.6%	\$8.46/fs	\$8.46/fs	0	0	0	0
	Sublet	0	0.0%	0	0.0%	0	0.0%	-	-	0	0	0	0
	Total	2,462	51.3%	2,462	51.3%	4,924	102.6%	\$8.46/fs	\$8.46/fs	0	0	0	0

Grand Totals

	Space Type	Vacant		Vacant Available		Total Available		Avg Rate	Leasing Activity		Net Absorption	
		SF	%	SF	%	SF	%		QTD	YTD	QTD	YTD
19 properties representing 161,089 SF	Direct	3,962	2.5%	3,962	2.5%	6,424	4.0%	\$8.46/fs	0	6,600	0	6,600
	Sublet	0	0.0%	0	0.0%	0	0.0%	-	0	377	0	0
	Total	3,962	2.5%	3,962	2.5%	6,424	4.0%	\$8.46/fs	0	6,977	0	6,600

Contiguous Block Size Analysis - Largest Blocks

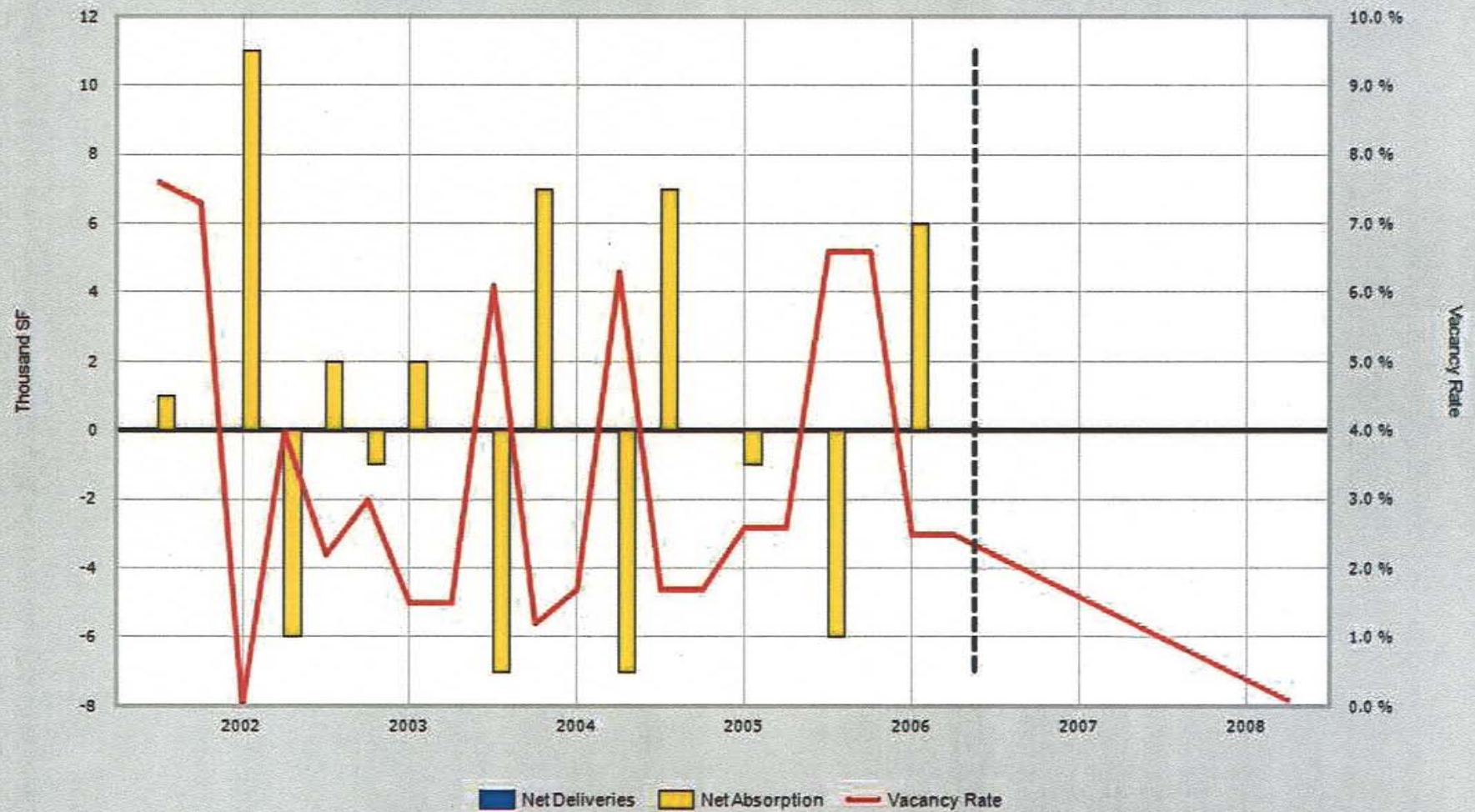
Contiguous Building Block Sizes (in SF)			New	Direct	Sublet	New/Dir/Sub	Total
2,000,000	-	plus	0	0	0	0	0
1,000,000	-	1,999,999	0	0	0	0	0
750,000	-	999,999	0	0	0	0	0
500,000	-	749,999	0	0	0	0	0
300,000	-	499,999	0	0	0	0	0
200,000	-	299,999	0	0	0	0	0
150,000	-	199,999	0	0	0	0	0
100,000	-	149,999	0	0	0	0	0
90,000	-	99,999	0	0	0	0	0
80,000	-	89,999	0	0	0	0	0
70,000	-	79,999	0	0	0	0	0
60,000	-	69,999	0	0	0	0	0
50,000	-	59,999	0	0	0	0	0
40,000	-	49,999	0	0	0	0	0
30,000	-	39,999	0	0	0	0	0
20,000	-	29,999	0	0	0	0	0
10,000	-	19,999	0	0	0	0	0
5,000	-	9,999	0	0	0	0	0
2,500	-	4,999	0	0	0	0	0
1	-	2,499	0	5	0	0	5

Face Rent Analysis Report

	DIRECT SPACES				SUBLET SPACES				TOTAL
	# Spaces	Min	Avg	Max	# Spaces	Min	Avg	Max	Avg
Office									
Full Service Gross	2	\$7.23	\$8.46	\$10.00	0	-	-	-	\$8.46
Negotiable	2	-	-	-	0	-	-	-	-
Retail									
Full Service Gross	2	-	-	-	0	-	-	-	-

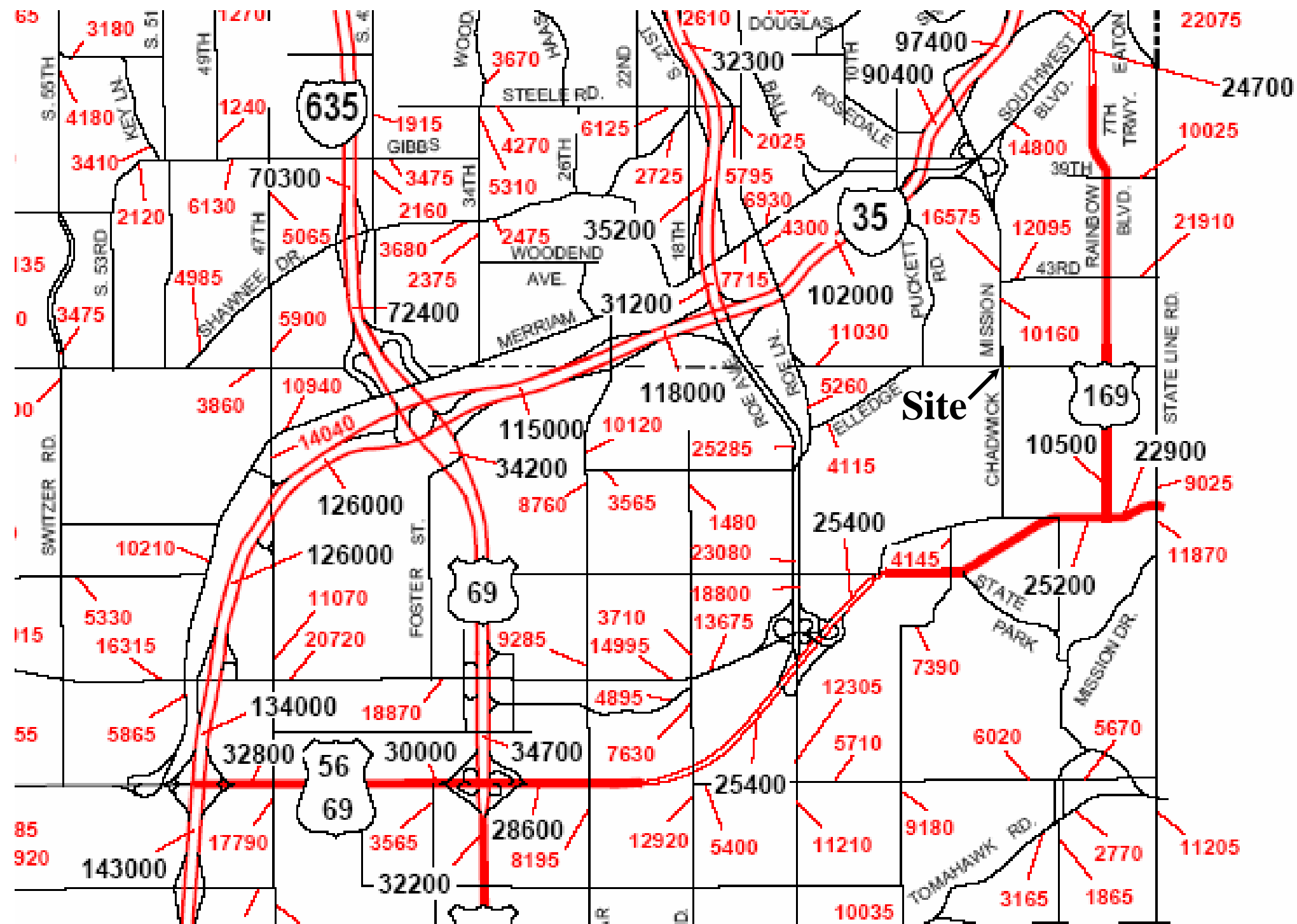


Forecast Report



Delivery Assumption: Known Construction Activity Absorption Assumption: 100% of Previous 5-Year Average

47th Street & Mission Road Traffic Count Map



Source: Kansas Department of Transportation

Information furnished regarding property is from source deemed reliable but no warranty or representation is made as to the accuracy thereof and same is submitted subject to errors, omissions, prior sale or lease or withdrawal without notice.

Agreed-to Vision

The Management Committee decided early on in the process that it and the Cities did not want to acquire property or condemn any property owners. Because the Market Study suggested that this was not the right location for a large retail project, there would not be enough of a tax increment to afford to purchase properties, and the Cities were not interested in condemnation for this area.

We, along with members of the Management Committee, met with commercial property owners in the Corridor, to assess their interest and ideas about redevelopment. Because the Cities did not want to acquire or condemn property, any redevelopment would have to be driven by the current property owners. A number of owners said that they would be willing to improve or redevelop their properties with the right financial incentive.

We then researched potential incentive tools that the cities could use to encourage the property owners to redevelop in accordance with their vision for the Corridor.

In keeping with the "47th & Mission Road Area Design Review Overlay District", the Committee's vision is for a walkable, neighborhood center with buildings close to the street and parking behind or beside the buildings.

With the help of Gould Evans, Management Committee decided on a two-part redevelopment project. Phase I is what could happen now or in the foreseeable future, and Phase II is the vision-plan for any big redevelopment in the future.



47th & Mission Redevelopment Study

The purpose of the effort is to create a feasible, realistic redevelopment plan based upon the Corridor Master Plan that has been adopted by the three cities. The Master Plan envisioned development of a mixed-use neighborhood center focused on the 47th and Mission intersection.

The corridor trade area has a 'limited' market that can support approximately 150,000 sf of additional retail development, primarily serving customers in a 1-mile radius of the 47th and Mission intersection. The market is limited by the access to the corridor area, i.e. distance from major thoroughfares and complicated by the significantly different household income levels north and south of 47th Street.

There is a demonstrated market for infill housing but limited available property. Strong housing stock is important to building a strong retail environment. Redevelopment of existing stock is important and should be encouraged.

There is a limited supply of and demand for office space, other than neighborhood service type.

The Committee and client cities are reluctant to use eminent domain, which is commonly a key factor in redevelopment, and there are no funds available for property acquisition. The three cities have differing levels of support for financial incentives, with Westwood being the least favorable due to its shrinking commercial tax base.

A Phase 1 plan outlining property owner-planned or supported improvements has been developed, and a Phase 2 plan defining 'stretch', longer term redevelopment goals was also established. Phase 1 will provide a common community framework for short-term redevelopment, Phase 2 a long-term roadmap.

Consideration should be given to establishing a 'niche' for the area to attract destination entertainment/ retail in addition to neighborhood service retail.

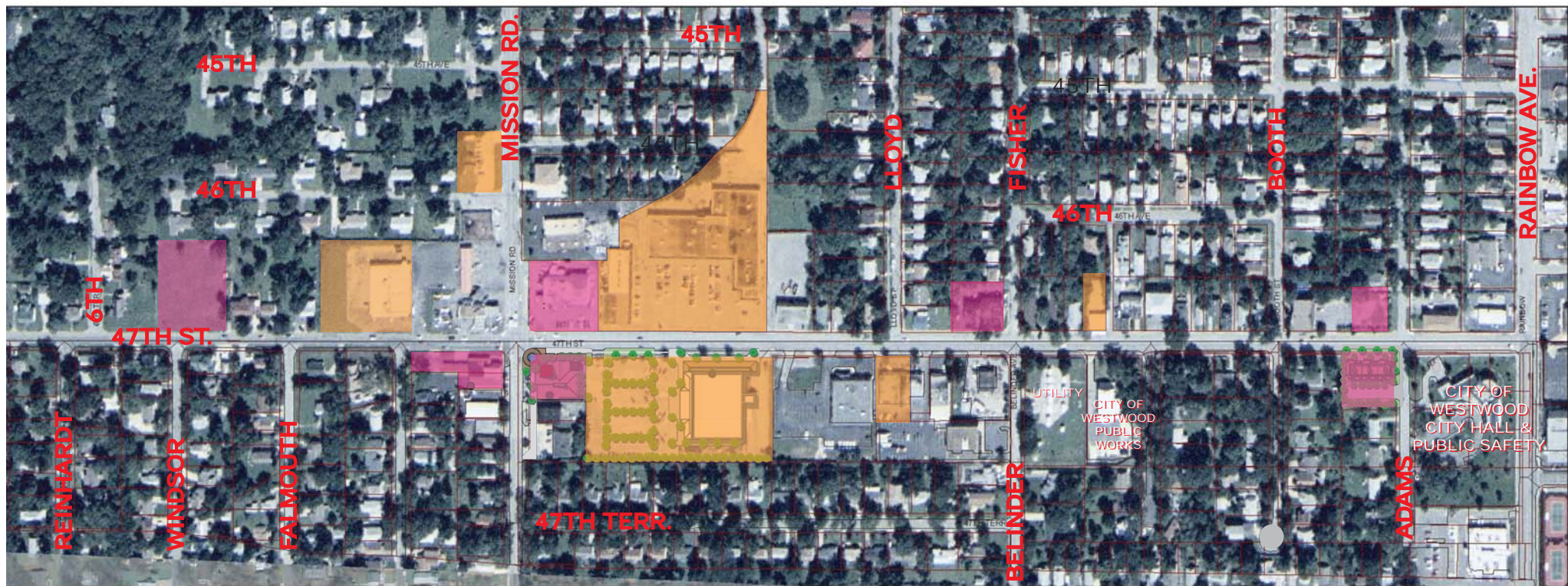
Investment in infrastructure and streetscape by all three cities is important, creating a common visual environment.

Consider an organization of businesses or a CID/ BID to fund ongoing marketing, cleanliness and improvements.

Consider conservation TIF, Neighborhood Revitalization Act area or other similar reinvestment oriented incentives.

Plans/Square Footage

Phase I consists of properties where owners have said they may be willing to improve or redevelop their properties in the foreseeable future. Phase II is the long range vision/plan for the area. Phase II sets a direction for any future development in the area.



POTENTIAL PROPERTY IMPROVEMENTS BY OWNER



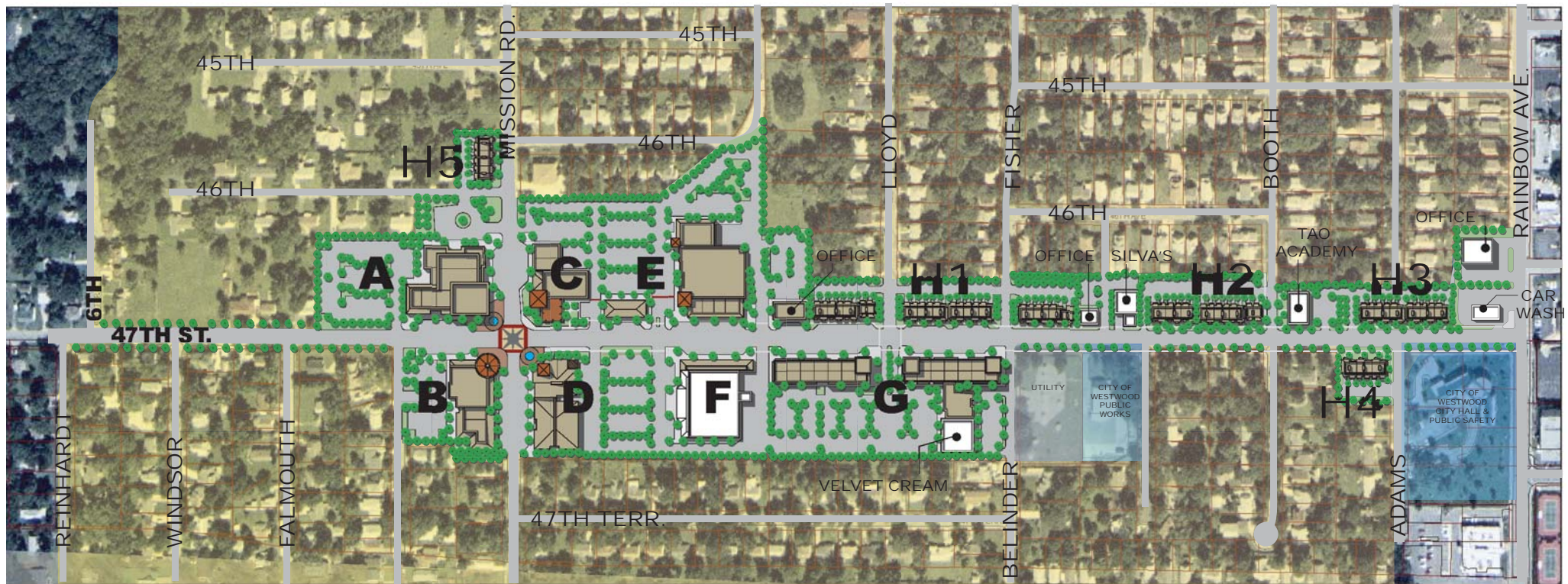
POTENTIAL REDEVELOPMENT INITIATIVES BY OWNER



PREPARED FOR:
CITY OF WESTWOOD, KANSAS
CITY OF ROELAND PARK, KANSAS
UNIFIED GOVERNMENT OF KANSAS CITY, KANSAS
AND WYANDOTTE COUNTY

PREPARED BY:
Zimmer Real Estate Services, L.C.
GouldEvans

47TH STREET CORRIDOR
POTENTIAL PHASE 1 INITIATIVES



POTENTIAL REDEVELOPMENT PROJECTS

A MIXED USE:
RETAIL/OFFICE OR RESIDENTIAL
(APPROXIMATELY 25,000 SF)

B RETAIL SHOPS/RESTAURANT
(APPROXIMATELY 15,000 SF)

C RETAIL SHOPS/RESTAURANT
(APPROXIMATELY 15,000 SF)

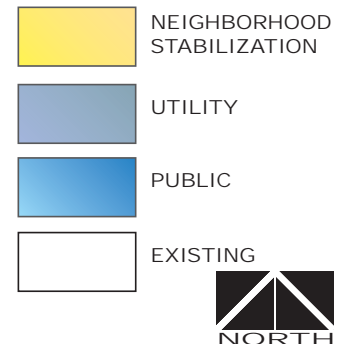
D RETAIL SHOPS/RESTAURANT
(APPROXIMATELY 15,000 SF)

E RETAIL ANCHOR AND SHOPS
APPROXIMATELY (60,000 SF)

F GROCERY STORE IMPROVEMENTS AND
EXPANSION (EXPANSION - 4,000 SF)

G MIXED USE:
RETAIL/OFFICE
(APPROXIMATELY 30,000 SF)

H RESIDENTIAL TOWNHOMES (APPROXIMATELY 66 UNITS)
H1 - APPROXIMATELY 28 UNITS
H2 - APPROXIMATELY 14 UNITS
H3 - APPROXIMATELY 12 UNITS
H4 - APPROXIMATELY 6 UNITS
H5 - APPROXIMATELY 6 UNITS



PREPARED FOR:
CITY OF WESTWOOD, KANSAS
CITY OF ROELAND PARK, KANSAS
UNIFIED GOVERNMENT OF KANSAS CITY, KANSAS
AND WYANDOTTE COUNTY

PREPARED BY:
Zimmer Real Estate Services, L.C.
GouldEvens

47TH STREET CORRIDOR
POTENTIAL LONG RANGE INITIATIVES

47th & Mission Redevelopment

Potential Phase I Initiatives - Redevelopment parcels - PRELIMINARY DRAFT

Parcel Address	City	Current Use	Acreage	Gross Building Area SF	New SF Proposed	Proposed New Use
570 County Line Road	KC	vacant residential parcel	0.92	-	2,500	Single Family
544 County Line Road	KC	vacant residential parcel	0.26	-	1,800	Single Family
520 County Line Road	KC	retail	1.51	12,000		
4628 Mission Road	KC	commercial - car wash	0.59	-		
3002 W. 47th Avenue	KC	gas station & restaurant	0.75	6,720		
2814-2870 W. 47th Ave	KC	commercial - strip retail	3.62	51,908		
4620 Fisher Street	KC	commercial - multi-family	0.39	18,000		
2544-2546 W. 47th Ave	KC	commercial - office	0.18	1,960		
4612 Mission Road	KC	retail - salon	0.55	440		
2440 W. 47th Avenue	KC	commercial- religious	0.7	4,650		
SUBTOTALS			9.47	95,678	4,300	
4701 Mission Road	WW	Supermarket	3.37	36,476	8,100	Retail
Corner at 4701	WW	Public ROW	0.03	-		
SWC 47th & Adams	WW	Vac. City property	0.16	-		
2803 W. 47th Street	WW	Storefront Building	0.34	5,822		
4704 Adams	WW	Vac. City property	0.32	-	12,000	8 Townhomes
SUBTOTALS			4.22	42,298	20,100	
4702 Mission Road	RP	Retail Store	0.25	5,308		
4706 Mission Road	RP	Strip Store	0.11	3,140		
SUBTOTALS			0.36	8,448	0	
TOTALS			14.05	146,424	24,400	

10 Total New Residential Units Proposed

24,900 SF Proposed New Retail

47th & Mission Redevelopment

Potential Long Range Initiatives - Redevelopment Projects/Areas - PRELIMINARY DRAFT

Project/Area	City	Acreage	New Proposed Building Area SF	Proposed Use
A	KC	4.87	25,000	Retail/Office or Residential
C	KC	1.7	15,000	Retail Shops
E	KC	4.79	60,000	Retail Anchor and Shops
H1	KC	1.89	33,600	Residential - 28 Units
H2	KC	1.03	16,800	Residential - 14 Units
H3	KC	1.04	14,400	Residential - 12 Units
SUBTOTALS		15.32	164,800	
H4	WW	0.48	7,200	Residential - 6 Units
G	WW	3.91	30,000	Retail/Office
F	WW	3.2	4,000	Grocery Expansion
D	WW	0.89	15,000	Retail Shops
SUBTOTALS		4.09	56,200	
B	RP	1.1	15,000	Retail Shops
SUBTOTALS		1.1	15,000	
TOTAL		20.51	236,000	

60 Total New Residential Units Proposed

164,000 SF Proposed New Retail/Office

Next Steps

Our recommendations to the Management Committee include:

- Continue to work together as three municipalities with one vision for the area.
- Each City should decide on, in cooperation with the other two, an incentive policy or tool for its part of the Corridor. Each City will have to enact its own incentive tool.
- Continue discussions/meeting with current property owners to encourage redevelopment. When one owner is ready to make improvements, it may encourage its neighbors to do the same.

Appendix

Appendix A - TIF/Redevelopment Tools Presentation

TIF, TDD and Other Economic Development Tools in Kansas

Presentation by Gilmore & Bell, P.C.



GILMORE & BELL, P.C

TIF, TDD and Other Economic Development Tools in Kansas

Presented by:

GILMORE & BELL, P.C.

**2405 Grand, Suite 1100
Kansas City, Missouri 64108
Phone: 816-221-1000**

**Gary Anderson
ganderson@gilmorebell.com**

Tools to be Discussed

- Tax Increment Financing (TIF)/STAR Bonds
- Sales Tax Rebate Agreements
- Transportation Development District (TDD)
- Industrial Revenue Bonds (IRBs)
- Home Rule GO Bonds
- Neighborhood Revitalization Act
- Downtown Redevelopment Act

TIF Basics

- Can be used by any City in Kansas
- Purpose is redevelopment of property in eligible areas
- Eligible Areas: blighted areas (including 100-year floodplains), conservation areas, pre-1992 enterprise zones, historic theater, major tourism area, major commercial entertainment and tourism area, a bioscience development area or an environmentally contaminated area

What can you finance with TIF Bonds?

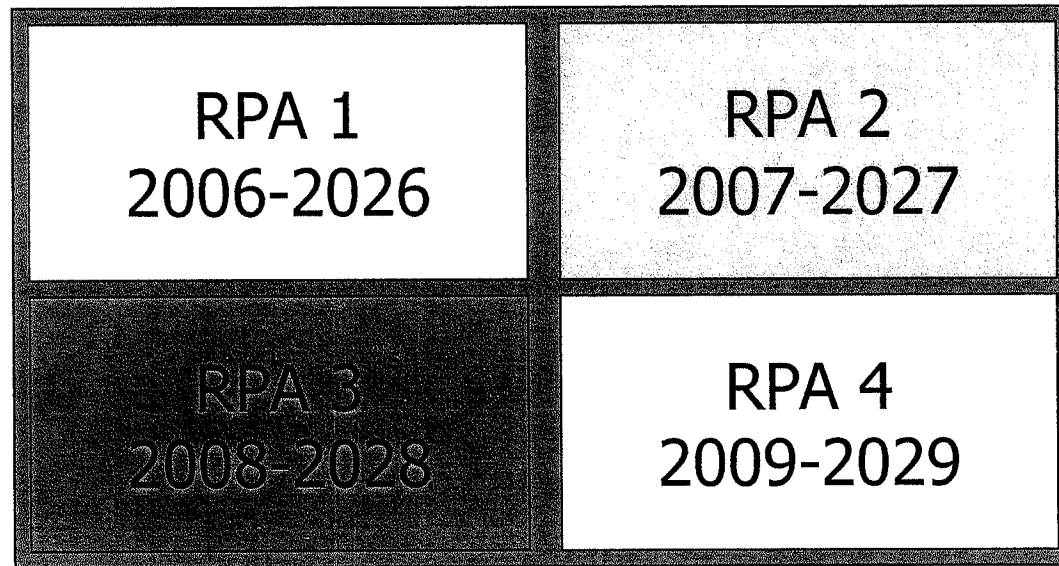
- Costs necessary to implement the redevelopment project plan, including:
 - Land acquisition
 - Site preparation
 - Landscaping and parking
 - Public infrastructure

*PRIVATE BUILDINGS AND PERSONAL PROPERTY
MAY NOT BE FINANCED*

Redevelopment District

- Redevelopment District
 - Area which is an eligible area
 - Defined by the City
 - Each Redevelopment District can have multiple Redevelopment Project Areas

Redevelopment Project Areas



Redevelopment District

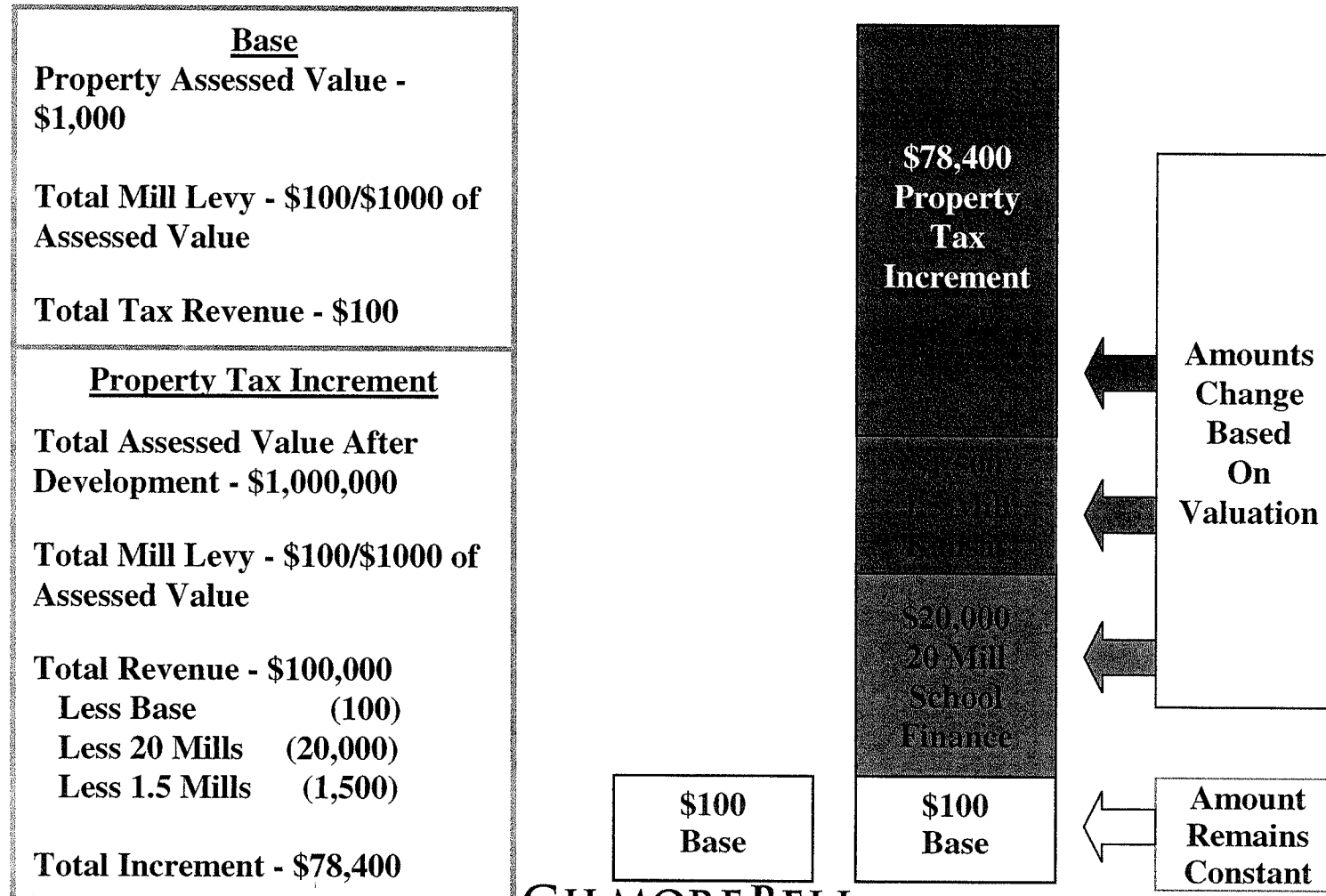
Redevelopment Plan and Project

- Redevelopment Project Plan
 - Overall blueprint for the assistance of development in a given redevelopment project area
 - County and School District have the right to Veto
- Redevelopment Project
 - Specific project described in Redevelopment Plan
 - Each Redevelopment Plan can have multiple projects

How TIF Works

- Diverts all or a portion of new (incremental) local taxes created by a project
- Real Property Taxes
 - Diverts up to 100% of new property taxes
 - 20 mills for school finance NOT diverted
 - 1.5 mills for state NOT diverted
- City Sales Tax
 - Diverts up to 100% of City sales tax, utility franchise fees
- All local taxing districts included
- Up to 20 years per project

The “Base” and the “Increment”



GILMORE BELL

Effect on School Districts

- Held Harmless at Base Property Tax Level
- Receive 20 Mills on Increased Assessed Valuation from Redevelopment Project

How TIF is Initiated

- Developer initiated:
 - Developer has interest to redevelop an area
 - Asks City for certain incentives
 - City may issue an RFP to redevelop the proposed area
 - Conformity with City's TIF Policy, if any
- City initiated:
 - City issues RFP to redevelop an eligible area
 - Offers TIF or other incentives to facilitate interest

Formation and Sample Timeline

- ✓ Resolution Calling Public Hearing on Redevelopment District – Day 1
- ✓ Mailed Notice to Taxing Districts – Day 5
- ✓ Mailed Notices to Property Owners – Day 5
- ✓ Published Notices – Day 25
- ✓ Public Hearing on Redevelopment Plan – Day 35
- ✓ Ordinance Approving Redevelopment District – Day 35
- ✓ Redevelopment Plan prepared and submitted to City – Day 60
- ✓ Negotiation of Redevelopment Agreement – Days 60 – 90
- ✓ City Resolution Calling Public Hearing on Redevelopment Plan – Day 70
- ✓ Mailed Notice to Taxing Districts – Day 75
- ✓ Mailed Notices to Property Owners – Day 75
- ✓ Published Notices – Day 91
- ✓ Public Hearing on Redevelopment Plan – Day 101
- ✓ Ordinance Approving Redevelopment Plan and Agreement – Day 101

Funding Methods

- Developer Reimbursement (“Pay As You Go”)
 - Developer finances approved TIF costs
 - Reimbursed as increment is received
- Bond Financing
 - Special Obligation Revenue Bonds
 - Issued by City
 - Limited obligation of City
 - Sometimes purchased or guaranteed by developer and re-sold once track record established
 - City CAN provide annual appropriation pledge
 - Full Faith and Credit Bonds
 - Amount that exceeds 3% of the assessed value of the City counts against bonded debt limit

TIF Special Obligation Bond Financing Difficulties

- Construction of Project
 - Is private financing in place?
 - Are tenants committed?
 - Will private project be on-budget?
 - Is a GMP construction contract in place?
- Credit quality of owner/tenant
- Term of tenant leases
- Will property tax or sales tax rates change?
 - Streamlined sales tax
- Developer experience and financial stability

Dealing With Developers

- Interim funding agreements
 - Developer pays or shares in costs for City's out of pocket expenses
- Independent review of projections
- Common points of contention
 - Use of TIF money – public vs. private costs
 - Performance Guarantees
 - Cost caps

STAR Bonds

- Special Bond Project
 - Within an MSA, project must have \$50M in capital investment and \$50M of projected gross annual sales
 - Not within an MSA, must be within an eligible area and is of regional or statewide importance
- Use State sales tax revenues and Local sales tax revenues
- Requires Secretary of Commerce approval

Sales Tax Rebate Agreements

- Cheap and easy alternative to TIF
- Reimburse costs of public or private improvements
- Repayment limited to certain incremental sales tax revenues or property tax revenues received by the City from the new project
- Document involved is a contract, no plans or other formalities

Transportation Development District (TDD) Basics

- Available to any City or County in Kansas
- Purpose is to finance transportation projects
 - Roads
 - Traffic signals
 - Parking lots and Parking Structures
 - Sidewalks
 - Utilities within or without the public right-of-way

How TDD Works

- Uses special assessments or new transportation sales tax within the District to finance transportation projects
- Special Assessments
 - Must follow 12-6a01 assessment procedure
 - No full faith and credit
- Transportation Sales Tax
 - Up to 1% additional local sales tax within the District
 - Up to 22 years

Effect on Other Taxing Districts

- No impact to current taxing jurisdictions – no diversion of current taxes
- Only new revenues used

Funding Methods

- Bond Financing
 - Special Obligation Revenue Bonds
 - Issued by City
 - Limited obligation of City
 - City CAN provide annual appropriation pledge
 - Sometimes purchased or guaranteed by developer and re-sold once track record established
 - No Full Faith and Credit Bonds

TDD Bond Financing Difficulties

- Construction of Transportation Project
 - Guaranteed Maximum Price Contract?
 - Payment and Performance Bond?
- Construction of Private Project
 - Is private financing in place?
 - Are tenants committed?
 - Will private project be on-budget?
- Credit quality of owner/tenant
- Term of tenant leases
- Developer experience and financial stability

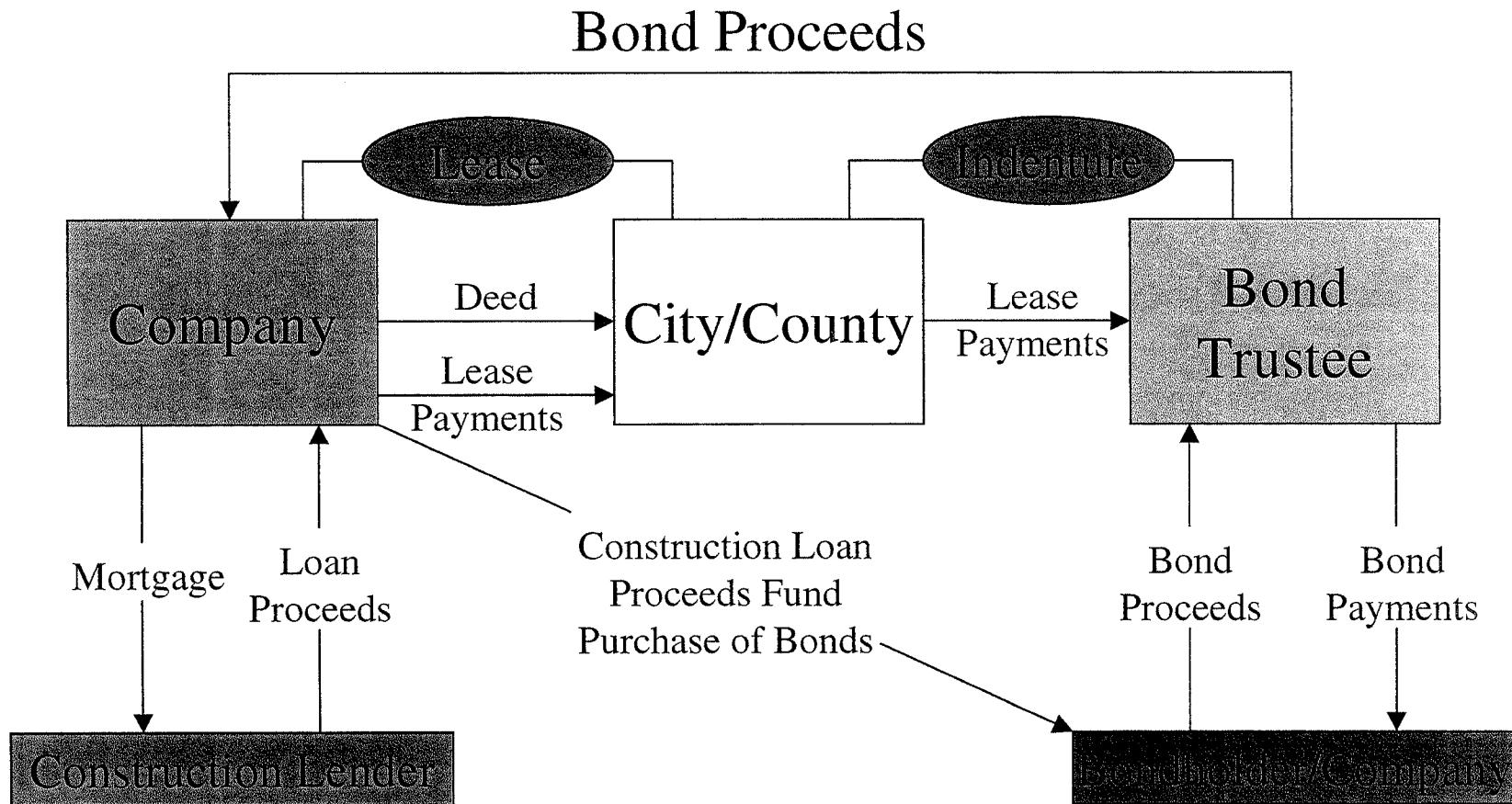
How TDD is Initiated

- Property Owner initiated:
 - Petition of 100% of property owners
 - Petition sets whether special assessments, transportation sales tax or both
 - Notice and Public Hearing Required if Sales Tax, but not if only special assessments

Industrial Revenue Bonds (IRBs)

- Generally used for property tax abatement and/or sales tax exemption on construction material
- Payable from lease payments made by the company to the City
- Cannot be full faith and credit bonds
- Eminent domain prohibited

IRB Diagram



IRB Property Tax Abatement

- Limited to 10 years
- Must give notice to school district
- Cost/benefit analysis required
- Public hearing required
- No property tax abatement for retail
- Sales tax exemption for construction materials

Home Rule GO Bonds

- City uses Home Rule powers to issue GO bonds for economic development grant to private entity
- Bonds are marketable
- City assumes risk of private entity
- Performance Guarantees

Neighborhood Revitalization Act (K.S.A. 12-17, 115 et seq.)

- Neighborhood Revitalization Area is either a blighted area or an area that should be preserved because of its history or architecture
- Designated by City or County
- Must adopt revitalization plan after holding public hearing
- Increased increment can be rebated back to property owner
- Includes school district property taxes (20 mills)
- Years determined by revitalization plan

Downtown Redevelopment Act (K.S.A. 12-17, 121 et seq.)

- Established by City or County
- Application made to Secretary of Commerce for designation
- Secretary may approve if:
 - (1) City or unincorporated area has population less than 50,000 or 20% or more of population has income below poverty line;
 - (2) Area is located in “core commercial district” – central business district;
 - (3) Structures in area have a vacancy rate that exceeds 15%; or
 - (4) Average appraised value of property in area has not increased by more than 15% in past 10 years

Downtown Redevelopment Act (cont'd)

- If approved have 12 months to make improvements so that appraised value increases by not less than 25%
- Property Tax Rebate above base value:

Years 1-5	100%
Year 6	80%
Year 7	60%
Year 8	40%
Year 9	20%

In Summary

Type of Incentive	Time Period	Tax Diversion or Rebate	Who Can Utilize	Secretary of Commerce Approval
TIF	20	Tax Diversion	City	No
TDD	22	New Tax	City/County	No
STAR	20	Tax Diversion	City	Yes
NRA	Unlimited	Tax Rebate	City	No
DRA	10	Tax Rebate	City/County	Yes
IRB	10	Abatement	City/County	No
Home Rule GO	10	Abatement	City	No
Sales Tax Rebate	Unlimited	Rebate	City/County	No

Questions?

Appendix A - TIF/Redevelopment Tools Presentation

Kansas Incentives Information



Revitalization and Redevelopment

The Legislature has passed several incentive programs to encourage revitalization and redevelopment of deteriorating residential neighborhoods and commercial districts. These programs work by providing tax rebates as an incentive for property owners to make improvements that improve the look and viability of a community. The first of these programs was the Neighborhood Revitalization Act, K.S.A. 12-17,114 *et seq.*, passed in 1994 by the Kansas Legislature. The most recent program adopting this strategy is the Downtown Redevelopment Act K.S.A. 12-17,121 *et seq.*, passed in 2004 by the Kansas Legislature as part of the Kansas Economic Growth Act.

A. Neighborhood Revitalization Act

1. Overview

At its inception, the Neighborhood Revitalization Act was designed to provide incentives to revitalize designated "areas" or "districts" determined by the governing body to be in need of improvement. In 1996, the Act was expanded to allow for the designation of a single "dilapidated structure" as an eligible project. Whether the Act is used as a mechanism for the improvement of whole neighborhoods or specific structures, it can be used to form a partnership between citizens and government working together to improve the quality of life in Kansas communities.

The following discussion is designed to explore the scope of the Act and to provide a step-by-step guide to municipalities in the establishment of Neighborhood Revitalization Programs. See **Appendix C** for the **full statutory text** of this Act.

2. Eligible Governmental Units

All municipalities are authorized to participate in neighborhood revitalization programs. K.S.A. 12-17,116. This includes counties, townships, cities, municipal universities, school districts, community colleges, drainage districts, or any other taxing or political subdivision of the state supported with tax funds. K.S.A. 12-17,115(b). Further, two or more municipalities are specifically authorized to use interlocal cooperation agreements in exercising the powers authorized by the Act. K.S.A. 12-17,119. Such agreements must be approved by the Attorney General pursuant to K.S.A. 12-2901 *et seq.*

3. Eligible Properties

As mentioned previously, municipalities may designate neighborhood revitalization "areas" or designate individual structures for participation in the rebate program. An area can be designated a neighborhood revitalization area if one of the following conditions exist:

- A predominance of buildings which by reason of dilapidation, deterioration, obsolescence, inadequate provision for ventilation, light, air, sanitation, or open spaces, high density of population and overcrowding are detrimental to the public health, safety or welfare. This includes such factors as danger of fire, ill health, transmission of disease, infant mortality, juvenile delinquency or crime.
- An area which substantially impairs or arrests the sound growth of a municipality, retards the provision of housing accommodations or constitutes an economic or social liability and is detrimental to the public health, safety or welfare. This includes a substantial number of deteriorating structures, defective or inadequate streets, incompatible land uses, faulty lot layout, unsanitary or unsafe conditions, diversity of ownership, tax delinquency exceeding the actual value of the land, defective conditions of title, or other conditions which endanger life or property by fire or other causes, or a combination of such factors.
- A predominance of buildings or improvements which by reason of age, history, architecture or significance should be preserved or restored to productive use.

An individual building may also be designated as eligible for the program if it is a "dilapidated structure." A residence or other building meets this definition if one of the following conditions exist:

- Deterioration by reason of obsolescence, inadequate provision of ventilation, light, air or structural integrity.
- A condition which is detrimental to the health, safety, or welfare of its inhabitants.
- Deteriorating condition of a structure which by reason of age, architecture, history or significance is worthy of preservation.

4. Factual Findings

Whether the municipality intends to establish the program for specific structures or designate whole neighborhoods for participation, the governing body must first review the proposed area and make a determination that the properties are eligible for the tax rebates authorized by the Act. K.S.A. 12-17,116. Although the language of the Act is broad and encompasses problems faced throughout many communities, it is important that the governing body focus on the intent of the Act to authorize incentives for the improvement of designated areas which have specific characteristics.

The program should be established only after the governing body makes a determination that the property designated meets the statutory definition of a "neighborhood revitalization area" or a "dilapidated structure." These terms are discussed in detail in the previous section and are defined in K.S.A. 12-17,115. **The designation of entire cities or counties for participation in this program is highly discouraged.**

After the governing body has determined that eligible properties exist, the Act also requires a determination that the rehabilitation, conservation or redevelopment of the area is "necessary to protect the public health, safety or welfare of the residents of the municipality." K.S.A. 12-17,116.

5. Revitalization Plan

Before designating any area or structure for participation in the tax rebate program, the governing body of the municipality must adopt a plan for the implementation of the program. The Act is very specific about the contents of such plan. See K.S.A. 12-17,117(a) & (b). The plan must include:

- Legal description of the proposed revitalization area.
- Existing assessed valuation of the area, listing land and building values separately.
- List of the names and addresses of the owners of record of the real estate in the area.
- Existing zoning classifications and boundaries and the existing and proposed land uses in the area.
- Proposals for improving or expanding municipal services in the area, including but not limited to transportation, water and sewage systems, refuse collection, street maintenance, recreation facilities, and police and fire protection.
- Statement specifying what property is eligible for revitalization and whether the program applies to additions to existing buildings, new construction, or both.
- Criteria used to determine what property is eligible.
- Contents of an application for the tax rebate.
- Procedure for submitting the application.
- Criteria to be used when reviewing and approving applications.
- Maximum amount and years of eligibility.

If the proposed plan involves the designation of an individual building as a dilapidated structure, the governing body shall also do the following prior to such designation:

- Obtain a legal description of the property.
- Determine the assessed value of the property with separate values listed for the land and structure.
- Determine the owner of record of the structure.

See **Appendix C** for a sample **Neighborhood Revitalization Plan**. This sample is to be used as a guide and should be modified to reflect the specific nature of the program as the governing body wishes to administer it.

6. Notice and Hearing

Prior to the adoption of the Neighborhood Revitalization Plan, the governing body must call and hold a public hearing on the proposal. K.S.A. 12-17,117(c). Notice of the hearing must be published at least once each week for two consecutive weeks in a newspaper of general circulation within the municipality. See **Appendix C** for a sample **notice resolution** calling the public hearing.

7. Establish a Neighborhood Revitalization Fund

After the plan is adopted, the municipality must establish a neighborhood revitalization fund to finance the project. Such fund should be established in the same manner that the municipality traditionally uses to establish budget funds (most use a resolution or ordinance). In fact, the fund can be established by simply adding a section to the ordinance used to adopt the plan and designate the neighborhood revitalization area.

Municipalities may credit moneys to the neighborhood revitalization fund by transferring the moneys from other funds, including the general fund, as long as it is lawful to do so. K.S.A. 12-17,118. For example, cities may transfer surplus moneys from a utility fund or the general fund into the neighborhood revitalization fund. However, any moneys received as a result of a tax levy for a specific purpose (e.g., the county road and bridge fund) may not be used for any other purpose and, therefore, may not be transferred to the neighborhood revitalization fund.

Because the Act specifically exempts this fund from the budget law (K.S.A. 79-2925 through K.S.A. 79-2937), such transfers may be made without the notice and public hearing requirements usually necessary to adopt to amend municipal budgets. K.S.A. 12-17,118(b). In the event that the governing body determines that money which has been credited to the neighborhood revitalization fund is no longer needed for that purpose, the governing body may transfer the moneys back to the fund from which they came. After such retransfer, the moneys will again be subject to the notice and hearing requirements of the budget law.

Moneys in the neighborhood revitalization fund may be invested in the same manner that idle funds and bond proceeds may be invested. K.S.A. 12-17,118(b). See K.S.A. 10-131 and K.S.A. 12-1675 for details.

8. Adopting Ordinance or Resolution

The municipality should adopt an ordinance or resolution officially establishing the program. The ordinance should do the following:

- State that a public hearing was held and specify the date of such hearing;
- Adopt the neighborhood revitalization plan as developed by the municipality;
- Designate the neighborhood revitalization area for participation in the program; and
- Establish a neighborhood revitalization fund to finance the project.

See Appendix C for a sample Adopting Ordinance.

Governance Tip

Because the county in which the property is located is the entity charged with collecting the ad valorem tax on the property, the municipalities participating in a neighborhood revitalization project may arrange for the fund to be operated and rebates paid by the county. This avoids duplication of accounting efforts and provides consistency to the taxpayer.

9. Rebates

Any increment in ad valorem property taxes levied by the municipality resulting from improvements by a taxpayer to property in a neighborhood revitalization area or to a designated dilapidated structure may be credited to the neighborhood revitalization fund for the purpose of returning all or a part of the increment to the taxpayer in the form of a rebate. K.S.A. 12-17,118(d). The taxpayer shall apply for such rebate according to the procedures established in the neighborhood revitalization plan as adopted by the municipality. See **Appendix C** for a sample **Application for Rebate**.

Each taxing unit in which the property is located must agree to participate in the program in order for the taxpayer to receive a 100% rebate on the incremental increase attributable to the improvements. For example, a city involved in a neighborhood revitalization project is authorized only to return that portion of the tax increment which is collected for the *city* levy. The county, the school district, and any other taxing unit must also agree to have their portion of the tax increment rebated to the taxpayer. In order to encourage school districts to participate in such projects, the 1997 Legislature amended the Act to provide that state aid to school districts would not be impacted by agreeing to the taxpayer rebates. See K.S.A. 12-17,118(e).

The Act authorizes the municipality to offer a tax rebate upon application by the taxpayer and approval by the governing body. Such rebate must be based upon the "incremental" increase in ad valorem taxes collected from the real property in excess of the amount attributable to the assessed valuation of such property prior to the date the neighborhood revitalization area was established or the structure was declared dilapidated pursuant to the Act. In other words, the taxpayer is eligible for a rebate on the increased taxes paid as a result of improvements made to an eligible structure.

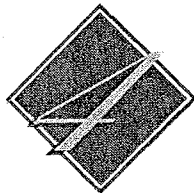
The percentage of the increased taxes which shall be returned to the taxpayer should be established by the governing body in the neighborhood revitalization plan. For example, one municipality may choose to provide a full 100% rebate of the increased taxes collected as a result of the improvements while another municipality may choose to provide only a 50% rebate of such amount.

Upon payment of taxes by the taxpayer, the approved rebate must be made within 30 days after the next tax distribution date as specified in K.S.A. 12-1678a. Currently, tax distribution dates are January 20th, March 20th, May 20th, July 20th, September 20th, and October 31st.

B. Downtown Redevelopment Act

1. Overview

The Kansas Downtown Redevelopment Act is designed to promote, stimulate and develop the general and economic welfare of the State of Kansas and its rural and low income communities. It does this by encouraging the rehabilitation of property located in downtown areas that have become vacant or minimally utilized. Like its counterpart the Neighborhood Revitalization Act,



TAX INCREMENT FINANCING¹

One of the most powerful, yet complex, economic development tools available to cities is tax increment financing (also known as TIF). First enacted by the legislature in 1976 to aid in the redevelopment of central business districts, the TIF law has been subsequently amended to allow its use in certain enterprise zones, environmental contamination areas, conservation areas, historic theaters, and certain major tourism areas.

In 2001, the TIF statutes were reorganized into a more reader-friendly format after having been amended piecemeal over the prior 25 years. The act was again extensively amended in 2003 (HB 2208), 2004 (S. Sub HB 2647-- "Bioscience Bill"), and 2005 (HB 2140 and HB 2144). The 2003 changes extended possible STAR (sales tax and revenue) bond usage statewide; 2004 changes included the adoption and inclusion of the "bioscience act" in K.S.A. 12-1770, *et seq.*, and clarification of existing TIF and STAR bond projects; and, 2005 changes provided for more clarification, application process and definition of "special bond" projects. This chapter and the Appendix that follows reflect all of these changes.

TIF provides for city financing of site acquisition and certain public improvements in a redevelopment district to compliment investments by a private developer in the district which will result in increased economic activity and tax revenue from the redevelopment. The public investment in the project is recovered from the stream of future increased property tax and/or sales tax from the property and new retail sales in the development district. The complex nature of the TIF Act, including state application procedures, makes working with bond counsel and other advisors very advisable.

In enacting the TIF Act, the legislature has described its economic development purposes in broad terms as follows:

It is hereby declared to be the purpose of this act to promote, stimulate and develop the general and economic welfare of the state of Kansas and its communities and to assist in the development and redevelopment of eligible areas within and without a city thereby promoting the general welfare of the citizens of this state, by authorizing cities to acquire certain property and to issue special obligation bonds and full faith and credit tax increment bonds for the financing of redevelopment projects. It is further found and declared that the powers conferred by this act are for public uses and purposes for which public money may be expended and the power of eminent domain exercised. The necessity in

¹Three presentations at League-sponsored meetings provided some of the basis for this chapter. The League wishes to express appreciation to Kathryn Pruessner Peters, Esq., David N. MacGillvray, and Gary Anderson, Esq. for these presentations and the contributions they made about TIF to the city officials of Kansas.

the public interest for the provisions of this act is hereby declared as a matter of legislative determination. K.S.A. 12-1770

A. TIF Basics

Tax increment financing was first enacted in Kansas in 1976 for the purpose of redevelopment of property in statutorily defined "eligible areas." Since 1976 TIF laws have been amended numerous times to add additional eligible areas, clarify the type of project expenses permitted, permit sales tax and revenue ("STAR") bond financing and clarify the application process.

In general, TIF is a method to provide public funding in a public/private development project. Such project must be located within a city defined "redevelopment district" that meets one or more of the statutorily defined eligible areas. A redevelopment district may have one or more redevelopment projects within the district. A TIF may be either initiated by a developer or the city. In either case, it is a very procedurally intense process and a city should not attempt a TIF project without the assistance of bond counsel and other advisors familiar with the process.

Financing for such projects comes from both private money (developers and investors) and public money. The source of the public money is usually through bonds issued by the city. There are statutory restrictions on the use of proceeds from TIF bonds. The restrictions generally permit land acquisition and construction of public infrastructure while prohibiting the financing of private buildings and personal property. The revenue for principal and interest payments on the bonds comes from the new (incremental) local taxes (property, sales, use and franchise fees) generated by the project. The diversion of the incremental tax increases effects all taxing districts included within the redevelopment district.

If a project qualifies as a "special bond project", STAR (sales tax and revenue) bonds may be used as part of the public funding. The advantage of this to the city is that new state sales tax generated in the district is also used for repayment of bonding and project costs. Use of STAR bonds requires the approval of the Kansas secretary of commerce and imposes additional application requirements and restrictions on fund usage upon the issuing city.

The balance of this chapter will explore specifics and nuances of eligibility, types of TIFs and repayment options, application process and options to TIFs.

B. Areas of Cities Eligible for TIF Financing

A TIF redevelopment district may be established by a city in: (1) Blighted Areas; (2) Conservation Areas; (3) Certain Enterprise Zones; (4) Historic Theaters; (5) Major Tourism Areas; (6) Major Commercial Entertainment and Tourism Areas; and, (7) Bioscience Development Areas. The definitions for each of these areas are found in K.S.A. 12-1770a and amendments thereto. They are discussed below:

1. Blighted Areas – K.S.A. 12-1770a(c)

Four types of areas can qualify for designation by a city governing body as a "blighted area":

A. Substantial Deterioration/Dilapidation: (K.S.A. 12-1770a(c)(1))

This type of blighted area is one which substantially impairs or arrests the sound development and growth of the city, constitutes an economic or social liability, or is a menace to the public health, safety, morals or welfare in its present condition and use because of the presence of a majority of the following factors:

- A substantial number of deteriorated or dilapidated structures;
- Predominance of defective or inadequate street layout;
- Unsanitary or unsafe conditions;
- deterioration of site improvements;
- Tax or special assessment delinquencies exceeding the fair value of the real estate;
- Defective or unusual conditions of title to the real estate;
- Improper subdivision or obsolete platting or land uses;
- The existence of conditions which endanger life or property by fire or other causes; or
- Conditions which create economic obsolescence.

B. Environmental Contamination Areas: (K.S.A. 12-1770a(c)(2))

This area is one that has been identified by any state or federal environmental agency as being environmentally contaminated to an extent that requires a remedial investigation, feasibility study and remediation or other similar state or federal action; or

C. Floodplain Areas: (K.S.A. 12-1770a(c)(3))

These areas require that a majority of the property be in a 100-year floodplain. This criteria was added by the 2005 legislature.

D. Previously Designated Areas: (K.S.A. 12-1770a(c)(4))

An area that was previously found by resolution of the governing body to be a slum or blighted area under K.S.A. 12-4742 *et seq.*, and amendments thereto.

2. Conservation Areas – K.S.A. 12-1770a(d)

Conservation areas that can be thought of as precursors or indicators of blighted areas to come. Specifically, they are defined as an improved area in which 50% or more of the structures have an age of 35 years or more which are not yet blighted but may become blighted due to a combination of 2 or more of the following blighting factors:

- Dilapidation, obsolescence or deterioration of the structures;
- Illegal use of individual structures;
- The presence of structures below the minimum code standards
- Building abandonment;
- Overcrowding of structures and community facilities; or
- inadequate utilities and infrastructure.

A conservation area may comprise no more than 15% of the land area of a city. Conservation areas were added to the list of TIF eligible areas by the legislature in 1996.

3. Enterprise Zones – K.S.A. 12-1770a(h)

This includes areas which were designated as an enterprise zone pursuant to K.S.A. 12-17,110, prior to its repeal on July 1, 1992. To be eligible the conservation, development or redevelopment of such area is necessary to promote the general and economic welfare of the city. In many cities these areas include properties that are undeveloped and which may serve as future industrial/business park sites or residential subdivisions.

4. Historic Theaters – K.S.A. 12-1770a(l)

To be designated a historic theater both the governing body of the city and the secretary of commerce must agree that the building will contribute to the economic development of the city and the surrounding area and that it satisfies the following requirements:

- Constructed prior to 1940;
- Constructed for the purpose of staging entertainment, including motion pictures, vaudeville shows or operas;
- Operated by a nonprofit corporation
- designated by the state historic preservation officer as eligible to be on the Kansas register of historic places or is a member of the Kansas historic theater association.

5. Major Tourism Areas – K.S.A. 12-1770a(n)

To be deemed a major tourism area a project area must meet the requirements found in K.S.A. 12-1770a(n):

- That capital improvements costing not less than \$100,000,000 will be built in the state to construct the project for such major tourism area; and
- That the project constructed will be an auto race track facility

"Auto race track facility" is specifically defined in K.S.A. 12-1770a(a), and amendments thereto. The addition of major tourism area as an eligible category in the TIF financing provisions allowed for the Unified Government of Kansas City/Wyandotte County to offer incentives for the development and construction of the Kansas International Speedway. Because this category may only be used for the development and construction of an auto race track facility with an initial capital investment of at least \$100,000,000, its use by other cities in Kansas is highly unlikely.

Numerous procedures were initially added to TIF statutes that applied only to the Unified Government's auto race track redevelopment plan. However, as the race track project progressed and matured, many of these procedures were either broaden to include other types of projects and/or specific types of financing. Additional changes were also made to TIF statutes to clarify legislative intent, provide additional oversight in the application procedure and to standardize the types of "redevelopment project costs" that could be paid for with TIF financing.

6. Major Commercial Entertainment and Tourism Areas – K.S.A. 12-1770a(ee)

This area does not have a specific set of criteria that must be met. Rather, it requires that the secretary of commerce determine that the area to be redeveloped would constitute a major commercial entertainment and tourism area. The secretary of commerce does have authority to establish rules and regulations to assist in defining this type of area.

7. Bioscience Development Areas – K.S.A. 12-1770a(hh)

This is a new eligible area added by the legislature in 2004 with the adoption of the Kansas Bioscience Authority Act, L. 2004, Ch. 112, §§ 1:17, 50, 52 and 54, as amended by L. 2005, Chap. 173, § 5. A bioscience development area is an area that:

- Is owned, operated, or leased by, or shall be owned, operated or leased by, or otherwise under the control of the Kansas bioscience authority
- Is or shall be used and maintained by a bioscience company; or
- Includes a bioscience facility.

Cities and counties have limited involvement in the establishment of a bioscience development area, therefore no formal discussion is contained in this chapter. However, there may be incidental references to them within the chapter.

C. Eligible Project Costs; Land Acquisition and Relocation Assistance – K.S.A. 12-1770a(q), 12-1773 and 12-1777

Any city that has adopted a redevelopment plan may acquire real property within the redevelopment district. The property may be acquired by purchase, gift, or otherwise, including eminent domain. Prior to exercising eminent domain to acquire property, the city must offer to purchase the property in an amount equal to the highest appraised valuation, for tax purposes, in the past 3 years. Special statutory provisions exist in the event that a catastrophic loss has occurred to the property in the year immediately preceding the proposed taking. If eminent domain is used to acquire real estate for either an auto race track project or a special bond project, the city is required to pay an additional 25% above the amount finally awarded in a K.S.A. 26-501 *et seq.* condemnation proceeding.

A two-thirds (2/3rds) vote of the governing body is required to authorize the acquisition of property by eminent domain. In a mayor-council form of government this means that the mayor has an original vote in the decision to condemn. See K.S.A. 12-104. Eminent domain may not be used to acquire real estate in a conservation area.

In addition to any compensation that a city is required to pay for real estate acquisition, a city is also required to pay relocation expenses in accord with its relocation assistance plan. K.S.A. 12-1777. The relocation plan must be approved by the governing body before any redevelopment project is initiated. Relocation assistance is to be paid not only to those persons, businesses, etc. from whom real property is acquired, but also to those who have to move from real property located in the redevelopment district or have to move personal property or liquidate inventory because of the need to move from a redevelopment district.

Costs that may be paid are those necessary to implement a redevelopment project plan or a bioscience development plan, including costs incurred for:

- Acquisition of property within the redevelopment project area;
- Payment of relocation assistance pursuant to a relocation assistance plan
- Site preparation including utility relocations
- Sanitary and storm sewers and lift stations;
- Drainage conduits, channels, levees and river walk canal facilities (see K.S.A. 12-1770a(cc)).
- Street grading, paving, graveling, macadamizing, curbing, guttering and surfacing;
- Street light fixtures, connection and facilities;
- Underground gas, water, heating and electrical services and connections within the public right-of-way;
- Sidewalks and pedestrian underpasses and overpasses;
- Drives and driveway approaches located within the public right-of-way;
- Water mains and extensions;
- Plazas and arcades;
- Parking facilities;
- Landscaping and plantings, fountains, shelters, benches, sculptures, lighting, decorations and similar amenities; and
- All related expenses to redevelop and finance the redevelopment project

Redevelopment project costs cannot include costs incurred to construct buildings or other structures to be owned by or leased to the developer. This prohibition does not apply to an auto race track facility.

For redevelopment projects financed with special obligation bonds payable from the pledge of local transient guest, sales or use taxes and/or a pledge of state sales taxes, as described in K.S.A. 12-1774(a)(1)(D) and (a)(1)(G), there are additional limitations placed on the payment of project costs. For such projects "all related expenses" must receive prior approval from the secretary of commerce. In addition, the following types of expenses are specifically excluded:

- Fees and commissions paid to real estate agents, financial advisors, or any other consultants who represent the business considering locating in a redevelopment district;
- Salaries for local government employees;
- Moving expenses for employees to the businesses location within the redevelopment district;
- Property taxes for businesses that locate in the redevelopment district;
- Lobbying costs;
- A bond origination fee cared by the city pursuant to K.S.A. 12-1742, and amendments thereto.

D. "Tax Increment" Pays for Public Improvements

Tax increment financing works because it allows for a diversion of all or a portion of the future growth in local taxes created by the project to be dedicated to the payment of the costs of the

redevelopment project. K.S.A. 12-1774(c) provides for the collection and segregation of tax increment revenues into "...a special fund for the payment of the redevelopment project costs, including the payment of principal and interest on any special obligation bonds or full faith and credit tax increment bonds issued to finance such project pursuant to this act and may be pledged to the payment of principal and interest on such bonds."

Excluded from the "diverted tax increment" is the 20 mills for school financing and the 1.5 mills for state building capital improvements. Both continue to be levied, collected and distributed throughout the life of the project.

As originally enacted, "tax increment" in the TIF Act meant that amount of real property taxes collected from real property located within the redevelopment district that was in excess of the amount of real property taxes which were collected from the assessed valuation of all the real property within the boundaries of the redevelopment district on the date that it was established. This is known as the base year assessed valuation. But, as TIF financing and the types of allowed projects have evolved, the concept of tax increment has changed and now includes all taxes generated in the redevelopment district, including not only the real estate taxes levied by all taxing entities within the district, but also local option sales and use tax and utility franchise fees. In addition, if the project qualifies for STAR bond financing, discussed later in this chapter, the TIF may also include state sales tax proceeds from the redevelopment district.

The expansion of the types of permissible projects also created the need to establish special financing increments that would be consistent with the type of project being developed. These special financing increments include the environmental increment, the flood-plain increment and a historical theater sales tax increment. The environmental and flood-plain increments are very similar in nature. Each permits a city to annually use not more than 20% of the total taxes produced by all taxing entities in the redevelopment district, based upon the year that the district was first established, to pay annual direct costs for investigation and remediation. Direct costs include principal and interest on bonds issued to finance remediation and investigation. The increment in a historical theater is the amount of state and local sales tax collected within the district that exceeds the taxes collected before such designation.

Under traditional tax increment financing, the following is a graphical comparison of "base" and "increment". The comparison is based upon these assumptions:

Base Year Assessed Value:	\$1,000
Total Mill Levy - all taxing units	100
Total Tax Revenue	100
Total Assessed Value	
After Development	\$1,000,000
Total Mill Levy - all taxing units	100
Total Tax Revenue	100,000

<u>After Development Tax Increment:</u>			
Total Assessed Valuation	\$1,000,000	\$78,400	Amounts Change Based Upon Changes in Annual Valuation and mill levy change
Total Revenue @ 100 Mills	\$100,000	Property Tax Increment	
Less:			
Base Year Revenue	<100>	Used to pay off	
20 Mills - State School Finance	<20,000>	TIF bonds and project costs	
1.5 Mills - State Building Capital Improvements	<1,500>		
Total Increment	\$78,400		
		\$20,000 20 Mill School Finance	
		\$1,500 1.5 Mills State	
<u>Base Year Assessed Value:</u>			
Total Assessed Value	\$1,000	\$100	Amount Remains Constant - subject to mill levy change
Total Revenue @ 100 Mills	\$100	Base	

The above example presupposes that 100% of the ad valorem tax growth attributed to redevelopment has been pledged for reimbursement of redevelopment costs. This does not always have to be the case. K.S.A. 12-1775(d), and amendments thereto, permits a city to adopt a project plan in which only a specified percentage or amount of the ad valorem tax increment realized in the redevelopment district are pledged to the redevelopment project. This may be desirable to assure other taxing subdivisions that not all future tax revenue growth within a redevelopment project will be diverted to finance the TIF project. In other words, by agreement, that portion of the increment not diverted to project financing will finance other city, county, school district, etc. services.

E. Funding Methods and Repayment Options

1. Developer Reimbursement – “Pay as You Go”

Under this option, the developer finances the approved TIF costs and is reimbursed by the city as the tax increment is received. In other words, the city would use the tax increment to repay the development costs overtime without the issuance of tax increment bonds.

Under this scenario, the developer proposes to do a “pay as you go” project where the developer funds the cost of the redevelopment project. Each year thereafter, until the agreed upon termination date, the city would use a percentage of the available tax increment revenues actually received by the city to reimburse the developer. This type of proposal is not unlike where the city issues special obligation bonds; the developer, or investors of the developer, purchase all of the bonds; the city uses the bond proceeds to finance the project; and the city then uses the tax increment revenues to pay principal and interest to developer (bond holder).

Attorney General Opinion No. 96-45 addresses the developer pay as you go plan. In the opinion the Attorney General agreed that such a plan could be used, pointing out that “[w]hile the statute [12-1774] seems to contemplate that the first use of tax increment revenues will be the payment of principal and interest on any bonds issued, clearly, surplus revenues may be used to pay any authorized TIF costs.” The Attorney General noted the Act refers to the use of the tax increment for repayment of financing costs associated with redevelopment district projects, including principal and interest on bonds, recognizing a legislative awareness that other finance mechanisms may be utilized by cities for which the tax increment may also legitimately be applied.

The opinion cautions that in any such financing mechanism, the city and the developer must have a clear contractual understanding at the inception of the project as to all matters relating to the funding of the project and the reimbursement to the developer. “Any such contract should articulate the project costs, how they will be paid by the developer, how the developer will be reimbursed for the costs and the precise repayment schedule as would be found in a standard bond agreement.”

2. Bond Financing

The Act permits the issuance of one or more series of special obligation or full faith and credit (i.e., general obligation) tax increment bonds to finance a redevelopment project. Use of either type of bonds requires that the city complies with statutory procedures. If bonds are issued, K.S.A. 12-1774 provides that the tax increment is to be used first to repay any general obligation or special obligation bonds issued to finance a redevelopment project, and if there is any surplus, to finance projects directly.

Special obligation bonds are most frequently used to finance TIF projects since they generally meet the immediate need for tax exempt financing and do not constitute a general obligation or debt on the city. In contrast, full faith and credit TIF bonds are general obligations of the city (K.S.A. 12-1774(b)(5)), and the Act limits the amount of such indebtedness and prescribes additional procedural safeguards in the event of their issuance (see below).

The Act provides that any general obligation or special obligation bonds issued to finance a project may have no maturity of more than 20 years. However, certain special obligation bonds for the Kansas International Speedway have been granted maturity periods up to 30 years. It is the 20 year limitation on bond maturity dates that makes it practical to do multiple, staged projects within one redevelopment district. Thus, extending the financing period beyond the base 20 years. This concept is discussed more in section F, below.

In the event that the bonds should be paid in full before the completion of the project and before the expiration of the bond maturity date, K.S.A. 12-1775(b) allows a city to continue to use moneys received from real property taxes within a redevelopment district for any purpose authorized by the act, but not to exceed 20 years from the date of approval of the project plan.

a. Special Obligation Revenue Bonds

Special obligation bonds are the most commonly used financing mechanism used for TIF projects. Special obligation bonds are issued by the city but are a limited obligation of the city because the bonds are payable only out of funds and revenue streams (tax increments) that the city has pledged for such purpose. Therefore, such bonds are neither general obligations of the city nor give rise to a charge against the city's general credit or taxing powers.

Special obligation bonds are to be payable, as to both principal and interest from:

- Property tax increments generated within the redevelopment district;
- Revenues of the city derived from or held in conjunction with the undertaking and carrying out of any redevelopment project or projects under the act, including historic theater sales tax increments and environmental increments;
- Private sources, contributions or other financial assistance from the state or federal government;
- Increased franchise fees collected from utilities and other businesses using public rights-of-way within the redevelopment district;
- Local sales and use taxes collected pursuant to K.S.A. 12-187, and amendments thereto; or
- Any combination of these methods.

In addition, local transient guest and local option sales and use taxes and state sales tax collected from taxpayers doing business within the redevelopment district may be pledged to finance a project if it is: (1) a major tourism area, (2) the restoration of a historic theater, (3) a special bond project, or (4) a major motorsports complex. K.S.A. 12-1774(a)(1)(D) and (a)(1)(G).

Cities with projects financed with special obligation bonds payable from local transient guest and local option sales and use taxes and state sales tax collected from taxpayers doing business within the redevelopment district (K.S.A. 12-1774(a)(1)(D) and (a)(1)(G)) are subject to additional requirements, including:

- The filing a an annual report with the secretary of commerce and the legislature describing the status of projects, expenditure of proceeds of special obligation bonds

since the last report, anticipated future expenditures of proceeds from special obligation bonds, sales tax revenue and how it has been spent;

- 100% of city and county local option sales tax must be pledged to bond repayment; provided, that is amount is reduced by amounts previously committed by election of voters or committed to bond repayment prior to the approval of the redevelopment plan;

It is not uncommon for the developer to purchase or guarantee the issuance of special obligation revenue bonds. Later, after the project is up and operating and has established a "track record", the developer may resell the bonds. In the alternative, the original bond issuance may be refinanced and the proceeds from the refinance issuance used to payoff the developer. Depending upon bond market conditions, the refinancing of the original issuance bonds can result in lower interest rates because the development has moved from a "green field" project to an operating, revenue producing project that poses a lower risk factor to bond investors.

b. Full Faith and Credit Tax Increment Bonds

A city may issue full faith and credit tax increment bonds to finance any redevelopment project. However, this authority does not extend to a project that would create a major tourism area, is a special bond project or that results in the restoration of a historic theater.

Principal and interest payments on full faith and credit bonds may be paid from the same sources generally available for payment of special obligation bonds, or any combination of those revenue sources. But, they are also payable from a pledge of the city's full faith and credit to use its ad valorem taxing authority for repayment thereof in the event that all other authorized sources of revenue are insufficient to make such payments. Thus, full faith and credit bonds are often referred to as "general obligation bonds".

The issuance of full faith and credit bonds requires compliance with some strict statutory procedures. These include the completion of a feasibility study demonstrating that the benefits derived from the project will exceed the cost and that the income therefrom will be sufficient to pay the costs of the project. The fact that it is permissible to pledge the incremental sales tax and franchise tax revenues for the payment of tax increment bonds makes it more likely that a feasibility study can show that there will be sufficient revenues to pay redevelopment costs. (Such a feasibility study is also required for the adoption of a redevelopment plan before a redevelopment project is undertaken and before special obligation bonds are issued.)

The city is also required to give advanced notice of its intent to issue full faith and credit tax increment bonds in the resolution setting the hearing on the adoption of the redevelopment plan. If within 60 days of the public hearing on the adoption of the redevelopment plan a protest petition is filed signed by 3% of the qualified voters of the city, an election must be held on the issuance of such bonds and a majority of voters voting thereon must approve the issuance. The failure of the voters to approve the issuance of full faith and credit tax increment bonds does not prevent the city from issuing special obligation bonds.

As an alternative, if the city has adopted a redevelopment plan, but failed to state its intent to issue full faith and credit tax increment bonds in the resolution setting the hearing on the adoption

of the plan, and if it has not yet acquired property for the project area, it may hold an election, and issue such bonds upon the approval of a majority of the voters.

c. STAR Bonds (Sales Tax and Revenue Bonds)

STAR bonds, although often spoken of as if they are some unique or specialized form of funding, are simply a form of special obligation revenue bonds that use both state and local sales tax revenues generated within the redevelopment district for payment of project costs. The inclusion of state sales tax in a tax increment can represent the diversion of a large amount of revenue from the state general fund for the payment of principal and interest on bonds issued for local economic development. Therefore, before STAR bonds may be used for financing, the secretary of commerce must find that the redevelopment project will:

- Create a major tourism area for the state;
- Is the restoration of a historic theater;
- Is a major motorsports complex; or
- Has been designated a special bond project.

This finding is based upon the feasibility study submitted to the secretary of commerce at the time that STAR bond authority is sought. The feasibility study is the same as that required for either special obligation revenue bonds or full faith and credit bonds. But, it also requires additional information regarding the description of the project, how jobs and taxes from the project will contribute to the economic development of the state and the region, availability of local sales and use tax for funding of the current project, and an anticipated principal and interest repayment schedule.

All standard TIF bond proceed usage restrictions and requirements apply to the use of STAR bond proceeds. In addition, other restrictions and requirements specific to STAR bonds also apply. The more significant of these specific restrictions and requirements include:

- A prohibition of the use of STAR bond proceeds for the construction of buildings or other structures to be owned by or leased to the developer;
- Additional restrictions on authorized project costs;
- Preparation and submission of an annual report of the status of any STAR bond project
- Secretary of commerce is required to set a limit on the total amount of STAR bonds that may be issued for any redevelopment project; and
- An annual independent CPA audit of each city project.

All four types of projects listed above are defined in K.S.A. 12-1770a. The first three are very restrictive and provide little, if any, latitude. While the fourth, special bond project is also defined, it is defined in a way in which leaves room for the secretary of commerce to exercise discretion in authorizing such projects. To qualify as a special bond project the redevelopment project must be located within a metropolitan statistical area (MSA) and must have at least a \$50,000,000 capital investment and \$50,000,000 in projected gross annual sales revenues; or, for areas outside of an MSA, the secretary of commerce must find that the project meets the definition of one of the "eligible areas" and would be of regional or statewide importance. The secretary of commerce has authority to develop rules and regulations regarding the determination of "regional

or statewide importance. As of publication of this handbook, final rules and regulations are not yet available. The proposed rules and regulations are included in Appendix D as is the secretary's guidance to STAR Bond Applications. Both are available online at: <http://kdoch.state.ks.us/public/tools/publications/programs>.

MSAs are defined by the federal office of management and budget. Presently there are four such areas in Kansas. These are: Kansas City, MO MSA – includes Johnson, Leavenworth, Miami and Wyandotte counties; Lawrence MSA – includes only Douglas County; Topeka MSA – includes only Shawnee County; and Wichita MSA – includes Butler, Harvey, Sedgwick and Sumner counties.

As with traditional tax increment financing, upon the completion of the project, i.e., when all bond and interest payments and other authorized project costs have been satisfied, all tax increments pledged for the payment of project costs are to be allocated according to law. One exception to this does exist. The secretary of revenue has the authority to determine when the amount of sales tax and other revenues that have been collected and distributed to the bond debt service or reserve fund is sufficient to satisfy all principal and interest costs to the maturity date or dates for special obligation bonds issued by the city to finance a STAR bond project. Thereafter, all sales tax and other revenues shall be collected and distributed in accordance with law.

F. TIF Procedures – K.S.A. 12-1771 and 12-1772

Tax increment financing involves the creation of a *redevelopment district*, as defined in K.S.A. 12-1770a(r), by the city. The redevelopment district area is defined by the city. The entire redevelopment district must be an “eligible area” as discussed earlier in this chapter. Each redevelopment district may contain one or more *redevelopment project areas*, 12-1770a(p) and 12-1772(a).

In addition to K.S.A. 12-1771 and 12-1772, there are specific statutory provisions for the establishment of redevelopment projects involving environmentally contaminated areas, K.S.A. 12-1771a, designating a building as a historic theater, K.S.A. 12-1771d, or designating a flood plain district, K.S.A. 12-1771e. While each of these are important and can play a significant role in a city's economic development plans, the balance of the discussion regarding procedure will be devoted to the general procedure for the establishment of redevelopment districts and plans.

1. Three “Building Blocks”

a. Redevelopment District

The redevelopment district is the base or foundation of the process. It is defined by the city and must consist of an area which is an “eligible area”, as discussed in Section B, above. The identification of the redevelopment district is the first piece of the redevelopment puzzle.

A redevelopment district may be located entirely within the city, partially in the city and partially in the county or entirely outside of the corporate limits of the city. In the latter case, written consent of the county is required and the notice and hearing requirements, discussed below, fall

upon the county. Once formed, a city may expand, divide or otherwise change a redevelopment district. Such change may require additional notice and hearing.

b. Redevelopment Project Areas

A redevelopment project area may encompass an entire redevelopment district or a redevelopment district can have multiple redevelopment project areas within it. The use of more than one redevelopment project area does have advantages. Under K.S.A. 12-1772(d) a redevelopment project must be completed within 20 years from the date of the approval of the project plan. Thus, if the development district is large, it can be beneficial to stage projects and use separate project areas to extend the 20 year completion block. This can be thought of in this manner:

Redevelopment Project Area No. 1 2005 - 2025	Redevelopment Project Area No. 2 2006 - 2026
Redevelopment Project Area No. 3 2008 - 2028	Redevelopment Project Area No. 4 2009 - 2029

Redevelopment District

c. Redevelopment Plan and Project

The redevelopment project plan is the overall blueprint for the assistance of development in a given redevelopment project area. Some commentators refer to it as the "deal" document. The redevelopment project is where specifics of the redevelopment plan are set forth. As discussed above, it is possible for each redevelopment plan to have multiple projects.

2. Initiating a TIF

A TIF may be initiated in one of two ways. It is estimated that about 90% of all TIF projects are initiated by a developer expressing an interest to redevelop an area. In such a case, the developer contacts the city seeking some kind of incentives. Today's sophisticated developer will come looking for specific incentives, as more than one type of incentive may be blended in with a TIF. Industrial revenue bonds are specifically permitted within a redevelopment project. A less sophisticated developer may simply come to the city looking for help and it will become incumbent upon the city to propose incentive types, and perhaps even explain them to the developer.

The second method is a city initiated TIF. In this case, the city has an area that it desires to redevelop. The city may seek out a developer to redevelop an eligible area and offer TIF or other incentives to help generate interest. Or, more preferably, the city issues a request for proposal ("RFP") seeking developers. The RFP may specifically indicate what the city is willing to offer in way of incentives or may simply allude to the "city's willingness to help."

3. Procedures

Once a city has determined that it wants to establish a redevelopment district and the accompanying redevelopment plan, whether self initiated or developer initiated, the act requires compliance with a series of complex procedural steps. Careful attention to detail is a must.

Notice to the county and to any school district within the redevelopment district is necessary both in the formation of the redevelopment district and in the approval of the redevelopment project(s). Either the county or the school can block the redevelopment district.²

In an abbreviated form, the required statutory procedures are as follows:

- Adopt resolution calling public hearing on redevelopment district
- Give notice to taxing districts: county, school district(s), fire, watershed and other special taxing districts with property in proposed redevelopment district
- Mail notices to property owners
- Publish notice
- Hold public hearing on redevelopment district
- Adopt ordinance approving redevelopment district
- Prepare redevelopment plan and submit to city
- Negotiation of redevelopment agreement
- Adopt city resolution to call public hearing on redevelopment plan
- Mail notices to taxing districts
- Mail notices to property owners
- Publish notices
- Hold public hearing on approval of redevelopment plan
- Adopt ordinance approving redevelopment plan and agreement

In a best case scenario, the above process would take 101 days. However, the "normal" time for all of the procedural items to be completed will generally run from four to six months.

G. Working with a Developer

The ability to use tax increment financing is dependent upon a successful working relationship with the developer. The keys to this are the developer agreement, the interim financing agreements, the accuracy of developer projections, and the way in which the construction of the project is handled.

1. Developer Agreements

The ability to use tax increment financing depends on development occurring within the district on schedule to produce the tax increment necessary to service the principal and interest payments on the TIF bonds. As a general rule, this happens because the developer

Governance Tip

The city-developer agreement is the most important foundation for a successful TIF project. Plan it carefully.

²K.S.A. 12-1771(d) appears to allow the county or school district to be selective in objecting to the inclusion of some, but not all, of the property proposed for inclusion in the redevelopment district by adopting a resolution within 30 days of the public hearing stating that the proposed redevelopment district will have an adverse effect on the taxing subdivision. The practical way to avoid such a result is to consult on both the staff and the elected official level with county and school district officials in the development of the proposed redevelopment district. This is also the time to negotiate, if necessary, the amount of the tax increment dedicated to the financing of redevelopment project.

keeps the commitments made in the initial agreement with the city. In fact, the feasibility study prepared at the outset of the projects depends in large measure on the commitments made and security agreements contained in the developer-city agreement.

Governance Tip

Consult with bond counsel early in the process of planning a TIF redevelopment district. Do not inadvertently jeopardize the tax exempt status of project bonds.

A city wishing to finance a redevelopment project with tax increment revenues should take precautionary measures to be sure that the developer is serious about pursuing the development by securing an agreement with the developer. Among the provisions which such an agreement may contain include:

- A description of the project
- Whether the project will be carried out in phases
- What the developer will do in each phase
- What property, if any, will be acquired
- Whether any property will be condemned
- What the costs of the project are anticipated to be
- How the costs will be financed (e.g., developer funding the start-up and initial expenses)

- Necessity for the developer to comply with city, state and federal laws ordinances
- A requirement for the developer to indemnify the city from damages relating to the project
- A statement that the developer is wholly responsible for environmental problems

Provisions regarding interim funding and final funding should either be an integral portion of the agreement with the developer or be in one or more separate stand alone documents. Such agreement(s) should be prepared working in conjunction with the city's financial advisors, planners, and legal counsel, including bond counsel. Interim funding should address the payment of, or the method of, sharing by the city and developer of the city's out of pocket expenses.

Items that often become points of contention between the city and the developer also need to be addressed. These may include the way in which TIF bond proceeds are used, i.e., what is to be public versus private cost. In some types of projects this is of a lesser concern because of the tight statutory definitions of permissible project costs. But, in any event it needs to be clarified and spelled out early in the process. Also, the use of performance guarantees and cost caps should be addressed. The agreements should be clear that excess revenue should be used to prepay debt and not just accumulated. This permits earlier pay down and an earlier return of the tax increment to the regular revenue stream of the taxing subdivisions.

Although not directly related to the developer agreement, the city should review all projections prepared by the developer regarding construction timing, cash flow, revenue, etc. and be comfortable with such projections. The review(s) should be done by independent advisors working for the city or, where the city has such resources in house, by city staff.

Bond counsel and financial advisor consultation should be sought very early in the process to prevent agreement language from possibly jeopardizing tax exempt status of bonds to be issued to finance the project

2. Potential Financing Difficulties

All TIF projects are a mix of public and private money. Therefore, not only does the city need to be concerned about how the public money is funded but it also needs to be concerned about the availability and "quality" of the private funding. In other words, questions need to be asked and answered as to the developer's experience and financial stability: What is the track record of the developer; Is private financing in place; Will there be independent investors beyond the developer; What is their financial ability; and the like.

Other issues that the city should be concerned about, but may have little input on, regard tenants of the facility or project. The value of project and the tax increment generated therefrom is directly related to the quality of the tenant locating to the development. Cities want to be aware of the commitment of the tenant to the project, credit quality of the tenant or business owner and lease terms. In some cases a tenant may be an active participant in the development. This role needs to be identified and the city satisfied with the participation of such third party.

Finally, a city needs to be concerned about possible changes in property tax or sales tax rates. The tax increment provides the financing for the project and anything that could alter the amount of the increment has a direct affect on the financing of the project. Thus, all revenue projections need to be well founded and, perhaps, a bit conservative.

H. "TIF-like" Options

1. Sales Tax and or Property Tax Rebate Agreement

A tax rebate agreement is an alternative to TIF financing. In its most basic form it is a contract between the city and a developer to rebate some or all growth in sales tax and/or property tax attributed to growth by reason of the development to the developer. The purpose of the agreement is to reimburse costs of the improvements. Of course, repayment is limited only to the incremental sales tax and property tax revenues that the city would receive from the new project, i.e., the increment is generally smaller because it does not include county, school or special taxing district money.

Smaller projects are more conducive to rebate agreements than large projects because the smaller projects may not support the complexity of TIF arrangements. With a rebate agreement there are no plans or other formalities, only a contract between the city and the developer setting forth the terms and conditions of the rebate.

Although a rebate agreement lacks, or does not require, the formalities of a TIF, it still comes with its concerns. These concerns are basically policy issues of concern to the city. These include:

- What new taxes, if any, will be generated by the project;
- Will the rebate of the new taxes, or a portion thereof, be adequate to be seen as a development incentive; or

- If sales tax is involved, is it new tax money or just a reallocation of current sales tax revenue from a current business to a new business.

In many ways a tax rebate agreement is similar to the usage of the Downtown Redevelopment Act but without the qualification factors that are required and the designation by the secretary of commerce. Rebate agreements are not always popular with developers because of the need to pay the tax and then wait for the rebate.

2. Transportation Development District – K.S.A. 12-17,140, *et seq.*

a. Transportation Development District Basics

The Transportation Development District Act ("TDD") was created in 2002 and amended in 2003 and 2005 by the Kansas Legislature. The Act is available to all cities and counties for the purpose of providing a method of financing public infrastructure costs that are transportation related, including roads, traffic signals, parking lots, land acquisition, sidewalks, and utilities within or without the public right-of-way. See K.S.A. 12-17,140 and amendments thereto.

b. TDD: How does it Work

TDDs use special assessments or new transportation sales tax within the TDD to finance the transportation project. Often these are small projects such as the addition of right and left hand turn bays and enhanced traffic control at the site of a new "big box" development.

If special assessments are used, the assessment procedure set forth in K.S.A. 12-6a01, *et seq.* must be followed. In lieu of, or in addition to, special assessments, a transportation development district sales tax may be imposed in the TDD. The sales tax is a local sales tax and is imposed in increments of either .10% or .25% but not to exceed 1.0%. Such sales tax is in addition to any other sales tax that the city is authorized to levy. The tax may not be imposed for more than 22 years.

Developers like the use of the transportation sales tax rather than special assessments. They see the use of sales tax as a shifting of the costs to those using the improvements to the customer, much like a user fee. National retailers have also been quite receptive for the same reason. One significant advantage to the city is that a TDD has no current impact on other taxing jurisdiction that are located in the TDD because there is no diversion of current taxes.

c. Funding Method

Funding for a TDD is similar to a TIF project. Special obligation revenue bonds are issued by the city with the new tax pledged for repayment of principal and interest. This imposes only a limited obligation on the city. The city may not issue full faith and credit (general obligation) bonds to finance a TDD.

d. Initiating a TDD

Only the property owner or owners may initiate the formation of a TDD. This is done by the filing of a petition signed by 100% of the property owners. The petition is required to contain:

- The general nature of the proposed project;

- Maximum cost of the project;
- Proposed method of financing of the project;
- Proposed amount and method of assessment;
- Proposed amount of transportation development district sales tax; and
- A map or boundary description of the proposed district.

Notice and public hearing is required only if special assessments are to be used in financing the project. In the absence of special assessments, the city may proceed immediately to the adoption of a resolution stating its intent to establish the district and levy the transportation district sales tax. Following hearing upon the resolution of intent, the governing body may adopt an ordinance to create the district, levy the sales tax and approve the method of financing. The ordinance becomes effective upon publication. A certified copy of the ordinance levying the sales tax is sent to the director of taxation and the tax then become effective.

e. Financing Difficulties

Financing difficulties associated with TDDs are not dissimilar to those seen with TIF projects. Generally, they can include; contract and payment and performance bond issues; developer experience and financial experience; availability and quality of private financing; and tenant commitment and quality issues.

I. Conclusion

Tax increment financing can be an extremely useful tool for a city in financing economic development projects. It can be complex but it should not be avoided for this reason. City officials working with competent in house staff or with the assistance of outside bond counsel, financial and other needed advisors should be able to proceed with TIF projects without much concern.

Appendix B - Design Standards Summary



47th & Mission Redevelopment Design Review Summary

February 16, 2007

47th and Mission Road Area Design Review Overlay District

- Standards and oversight apply to commercial and multi-family zoned property
- Applies to new development, redevelopment or significant exterior modifications
- Management Committee responsibilities:
 1. Implement objectives of Concept Plan
 2. Review development applications
 3. Make recommendations to Jurisdictions regarding development plans
 4. Coordinate cooperation between the 3 Jurisdictions in planning and construction
 5. Promote development within 47th & Mission corridor
 6. Coordinate with business owners special events and promotions
 7. Work with neighborhood associations to further Concept Plan
 8. pursue grants for [public financing to implement Concept Plan
- Jurisdictions' planning departments to forward applications to Committee for review
- Committee to recommend to Jurisdictions the applications' compliance with Concept Plan
- Uses:
 1. No commercial to have residential on first floor
 2. 40 Feet or 3 ½ stories maximum building height
 3. Mixed use encouraged



47th & Mission Redevelopment Design Review Summary

February 16, 2007

- Site Design Standards:
 1. Building placement :
 - Front setback to Right of Way line
 - Continuous building frontage
 - Main entrance on street
 2. Site access:
 - Pedestrian friendly; entrance on street, walkways through parking areas
 3. Parking:
 - On street parking and shared parking
 - Parking behind buildings and to the sides of buildings
 4. Architectural features:
 - Enhanced entrances
 - Masonry materials
 - Earth tones
 - Awnings and canopies encouraged
 5. Landscaping:
 - Buffers to residential area
 6. Signs:
 - Facade, pedestrian and monument signs
 - Back-lit and internal illumination signs discouraged

Appendix C - Environmental

**K A N S A S**

RODERICK L. BREMBY, SECRETARY

KATHLEEN SEBELIUS, GOVERNOR

DEPARTMENT OF HEALTH AND ENVIRONMENT

DATE: 9/5/06

Fax 816-421-6666

TO: Cathryn Singleton

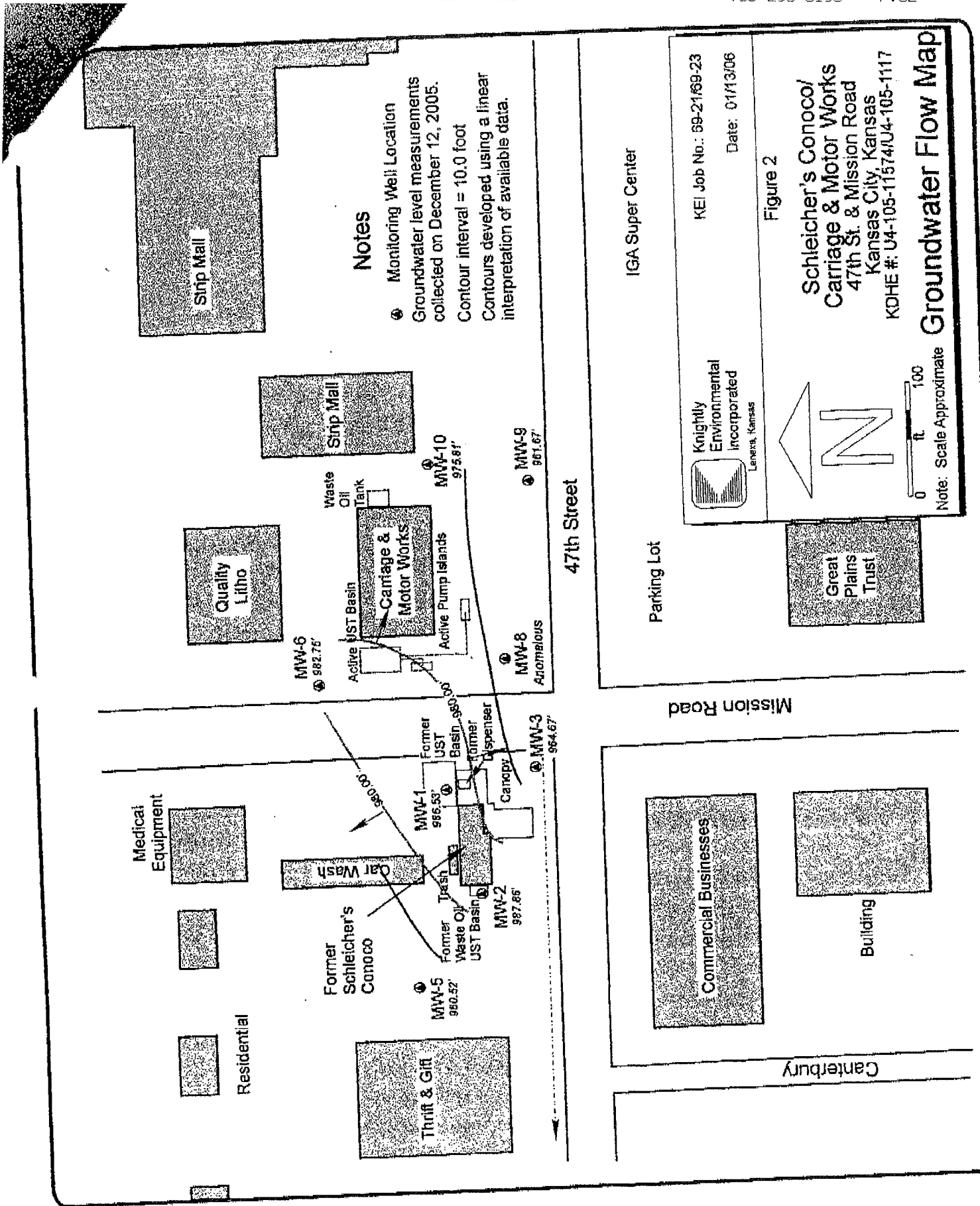
FROM: Sharon Elden

NUMBER OF PAGES (INCLUDING COVER SHEET): 6

RE:

Schleicher's Conoco
Carriage & Motor Works
sites

- Site maps (2)
- Monitoring Data (3)

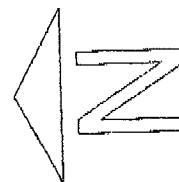
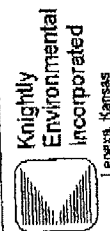


KEI Job No.: 59-21/69-23
Date: 01/13/06

Figure 2

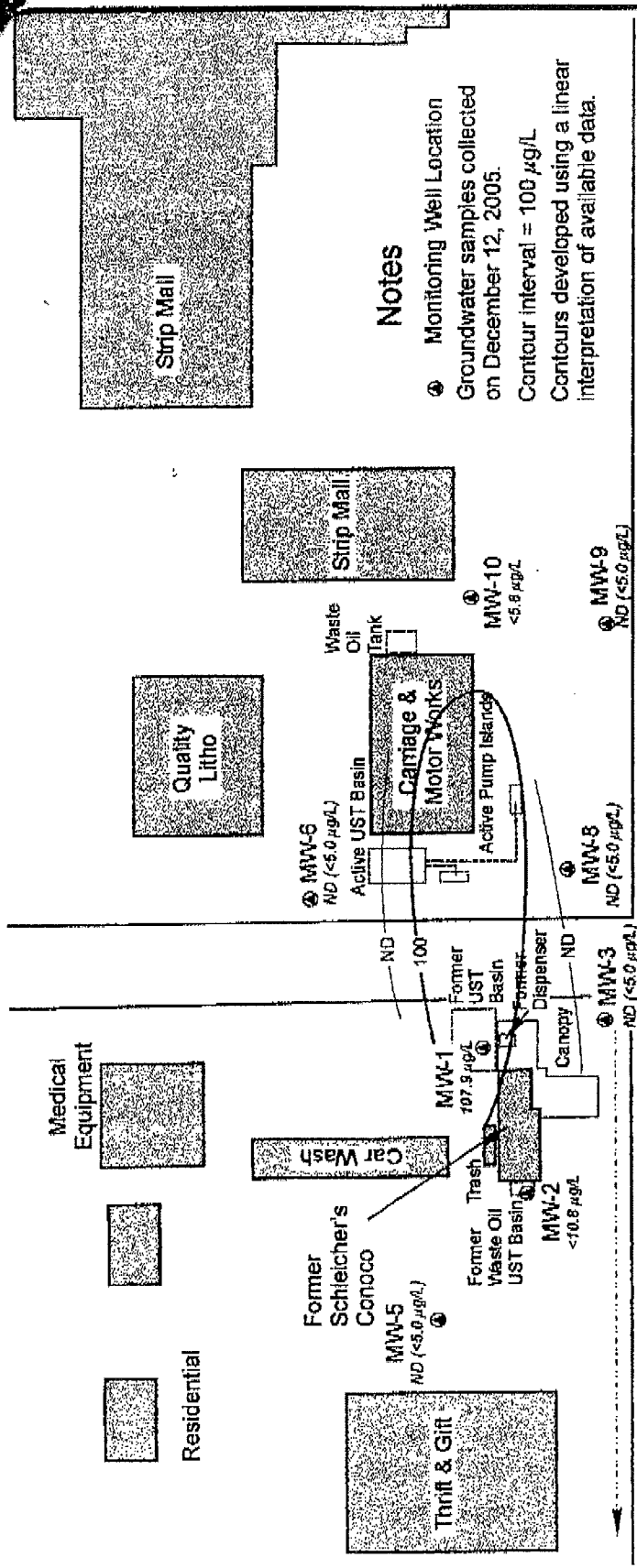
Schleicher's Conoco/
Carriage & Motor Works
47th St. & Mission Road
Kansas City, Kansas
KDHE #: U4-105-11574/U4-105-1117

Groundwater Flow Map

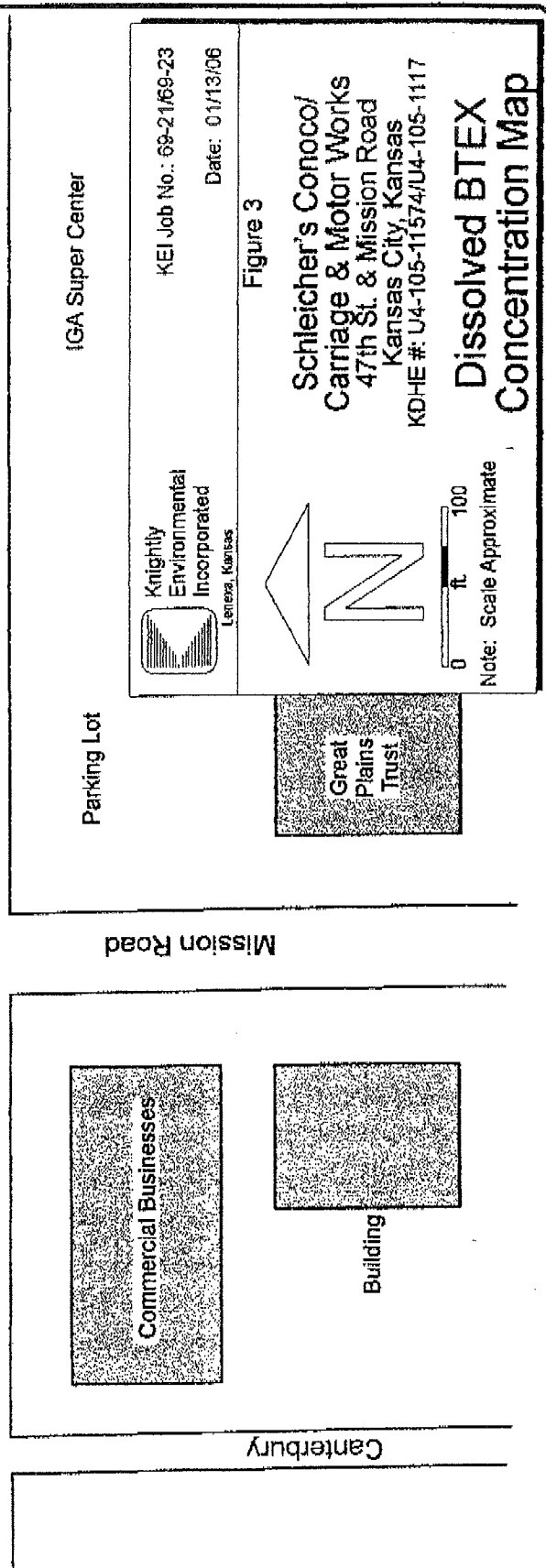


0 ft 100

Note: Scale Approximate



47th Street



Mr. Tom Guilfoyle
January 14, 2006

TABLE 2.5
GROUNDWATER ANALYTICAL RESULTS
Schleicher's Conoco and Carriage & Motor Works, Kansas City (KDHE Project Code: U4-105-11574 / U4-105-01117)

5

Well	Benzene	Toluene	Ethylbenzene	Xylenes	1,2-DCA	MtBE	Naphthalene	TPH - DRO (Iowa OA-2)	EPA Method	Product Type	Volume Purged (gallons)	Date Purged and Sampled
KDHE Tier 2 RBSL	5	1000	700	10000	5	20	100	500				
MW-1	142 19 229 187 156 128 78.8 74.7	15 ND (<10) 35.1 27 10.9 11.4 9.0 5.6	ND (<10) 278 330 153 146 56.0 31.5 12.2	1550 678 522 26 31.8 35.6 48.4 15.4	ND (<10) ND (<10) ND (<5) ND (<5) ND (<2.0) ND (<1.0) ND (<5.0) ND (<5.0)	23 ND (<10) 9.0 135 17.7 7.7 ND (<10.0) ND (<10.0)	475 313 270 575 496 265 351 234	NA NA NA NA NA NA NA 4400 (gas)	8021 8021 8021 8021 8260 8260 8260B 8260B	NA NA NA None None None None None	3 (dry) 6.5 6.5 6 5.75 6 6.25 5.5	07/26/98 11/11/98 02/17/99 12/14/01 12/16/02 12/17/03 11/30/04 12/12/05
MW-2	ND (<5) 20.2 11.2 4 6.6 8.6 2.0 6.8	0.8 1.8 1.4 ND (<2) ND (<1.0) ND (<1.0) ND (<1.0) ND (<1.0)	0.6 9.3 6.0 ND (<2) ND (<1.0) ND (<1.0) ND (<1.0) ND (<1.0)	1.4 26.4 6.7 ND (<2) ND (<1.0) ND (<2.0) ND (<2.0) ND (<2.0)	ND (<5) ND (<5) ND (<5) ND (<1) ND (<1.0) ND (<1.0) ND (<1.0) ND (<1.0)	ND (<5) 2.2 1.9 20 16.7 14.2 16.2 19.2	ND (<5) 4.4 5.0 7 ND (<1.0) ND (<1.0) ND (<1.0) ND (<1.0)	NA NA NA NA NA NA NA 2100 (diesel)	8021 8021 8021 8021 8260 8260 8260B 8260B	NA NA NA None None None None None	3 (dry) 12 11 10.75 10.75 11 10.75 10.5	07/26/98 11/11/98 02/17/99 12/14/01 12/16/02 12/17/03 11/30/04 12/12/05
MW-3	1850 ND (<5) ND (<2.5) ND (<2) ND (<1.0) ND (<1.0) ND (<1.0) ND (<1.0)	147 ND (<5) ND (<2.5) ND (<2) ND (<1.0) ND (<1.0) ND (<1.0) ND (<1.0)	ND (<10) 3.1 2.8 ND (<2) ND (<1.0) ND (<1.0) ND (<1.0) ND (<1.0)	835 4.5 3.4 ND (<2) ND (<1.0) ND (<2.0) ND (<2.0) ND (<2.0)	ND (<10) ND (<5) ND (<2.5) ND (<1) ND (<1.0) ND (<1.0) ND (<1.0) ND (<1.0)	ND (<10) ND (<5) ND (<2.5) ND (<1) ND (<2.0) ND (<2.0) ND (<2.0) ND (<2.0)	ND (<10) 1.3 8.5 ND (<5) ND (<1.0) ND (<1.0) ND (<1.0) ND (<1.0)	NA NA NA NA NA NA NA ND (<100)	8021 8021 8021 8021 8260 8260 8260B 8260B	NA NA NA None None None None None	.5 (dry) 4.5 4 3 2 2 3 3	07/26/98 11/11/98 02/17/99 12/14/01 12/16/02 12/17/03 11/30/04 12/12/05

All results reported in ug/l (ppb)

ND = Not Detected above MDL

Mr. Tom Guilfoyle
January 14, 2006

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TABLE 2.5
GROUNDWATER ANALYTICAL RESULTS
Schleicher's Conoco and Carriage & Motor Works, Kansas City (KDHE Project Code: U4-105-11574 / U4-105-01117)

Well	Benzene	Toluene	Ethylbenzene	Xylenes	1,2-DCA	MtBE	Naphthalene	TPH - DRO (Iowa OA-2)	EPA Method	Product Type	Volume Purged (gallons)	Date Purged and Sampled
KDHE Tier 2 RBSL	5	1000	700	10000	5	20	100	500				
MW-5	ND (<.5)	ND (<.5)	ND (<.5)	ND (<.5)	ND (<.5)	ND (<.5)	3.2	NA	8021	NA	1 (dry)	07/26/98
	1.2	0.9	3	15.4	1.5	ND (<.5)	0.7	NA	8021	NA	2	11/11/98
	0.8	2.5	2.3	ND (<.5)	ND (<.5)	ND (<.5)	ND (<.5)	NA	8021	NA	2	02/17/99
	ND (<.2)	ND (<.2)	ND (<.2)	ND (<.2)	ND (<.1)	ND (<.1)	ND (<.5)	NA	8021	None	0.25	12/14/01
								NA	NA	NA	NA	12/16/02
								NA	NA	NA	NA	12/17/03
								NA	NA	NA	NA	11/30/04
								ND (<200)	8260B	None	0	12/12/05
	ND (<1.0)	ND (<1.0)	ND (<1.0)	ND (<2.0)	ND (<1.0)	ND (<2.0)	ND (<1.0)	NA	8021	NA	15	07/26/98
	0.9	2.4	2.7	9.1	ND (<.5)	ND (<.5)	1.0	NA	8021	NA	13	11/11/98
MW-6	ND (<.5)	ND (<.5)	5	13.2	ND (<.5)	ND (<.5)	1.5	NA	8021	NA	11	02/17/99
	ND (<2.5)	ND (<2.5)	ND (<2.5)	ND (<2.5)	ND (<2.5)	ND (<2.5)	ND (<2.5)	NA	8021	NA	12.5	12/14/01
	ND (<.2)	ND (<.2)	ND (<.2)	ND (<.2)	ND (<.1)	ND (<.1)	ND (<.5)	NA	8021	None	12.75	12/16/02
	ND (<1.0)	ND (<1.0)	ND (<1.0)	ND (<1.0)	ND (<1.0)	ND (<2.0)	ND (<1.0)	NA	8260	None	13	12/17/03
	ND (<1.0)	ND (<1.0)	ND (<1.0)	ND (<2.0)	ND (<1.0)	ND (<2.0)	ND (<1.0)	NA	8260B	None	13	11/30/04
	ND (<1.0)	ND (<1.0)	ND (<1.0)	ND (<2.0)	ND (<1.0)	ND (<2.0)	ND (<1.0)	ND (<100)	8260B	None	12.75	12/12/05
								NA	8021	NA	3 (dry)	07/26/98
	168	20	ND (<2.5)	33	ND (<2.5)	ND (<2.5)	ND (<2.5)	NA	8021	NA	5	11/11/98
	1.3	ND (<.5)	2	3.9	ND (<.5)	ND (<.5)	1.1	NA	8021	NA	4.5	02/17/99
	ND (<2.5)	ND (<2.5)	ND (<2.5)	ND (<2.5)	ND (<2.5)	ND (<2.5)	ND (<2.5)	NA	8021	None	4	12/14/01
MW-8	ND (<.2)	ND (<.2)	ND (<.2)	ND (<.2)	ND (<.1)	ND (<.1)	ND (<.5)	NA	8021	None	2.25	12/16/02
	ND (<1.0)	ND (<1.0)	ND (<1.0)	ND (<1.0)	ND (<1.0)	ND (<2.0)	ND (<1.0)	NA	8260	None	2.25	12/17/03
	ND (<1.0)	ND (<1.0)	ND (<1.0)	ND (<2.0)	ND (<1.0)	ND (<2.0)	ND (<1.0)	NA	8260B	None	4	11/30/04
	ND (<1.0)	ND (<1.0)	ND (<1.0)	ND (<2.0)	ND (<1.0)	ND (<2.0)	ND (<1.0)	ND (<100)	8260B	None	11.25	12/12/05

All results reported in ug/l (ppb)

ND = Not Detected above MDL

Mr. Tom Guilfoyle
January 14, 2006

TABLE 2.5
GROUNDWATER ANALYTICAL RESULTS
Schleicher's Conoco and Carriage & Motor Works, Kansas City (KDHE Project Code: U4-105-11574 / U4-105-01117)

Well	Benzene	Toluene	Ethylbenzene	Xylenes	1,2-DCA	MIB	Naphthalene	TPH - DRO (low OA-2)	EPA Method	Product Type	Volume Purged (gallons)	Date Purged and Sampled
KDHE Tier 2 RBSL	5	1000	700	10000	5	20	100	500				
MW-9	ND (<5)	ND (<5)	ND (<5)	2.1	ND (<5)	ND (<5)	ND (<5)	NA	8021	NA	5	07/26/98
	1.7	ND (<5)	2.8	8.8	ND (<5)	ND (<5)	0.8	NA	8021	NA	5.5	11/11/98
	0.8	ND (<5)	1.5	ND (<5)	ND (<5)	ND (<5)	ND (<5)	NA	8021	NA	5	02/17/99
	ND (<2)	ND (<2)	ND (<2)	ND (<2)	ND (<1)	ND (<1)	ND (<5)	NA	8021	None	3.5	12/14/01
	ND (<1.0)	ND (<1.0)	ND (<1.0)	ND (<1.0)	ND (<1.0)	ND (<2.0)	ND (<1.0)	NA	8260	None	2	12/16/02
MW-10	ND (<1.0)	ND (<1.0)	ND (<1.0)	Not Located; Snow piled	ND (<1.0)	ND (<2.0)	ND (<1.0)	NA	NA	NA	NA	12/17/03
	ND (<1.0)	ND (<1.0)	ND (<1.0)	ND (<2.0)	ND (<1.0)	ND (<2.0)	ND (<1.0)	ND (<1.0)	8260B	None	4.25	11/30/04
	ND (<2.5)	ND (<2.5)	ND (<2.5)	13.3	ND (<2.5)	14.6	ND (<2.5)	ND (<100)	8260B	None	3	12/12/05
	3.8	2.4	4.9	13.7	ND (<2.5)	ND (<2.5)	10.9	NA	8021	NA	11	07/26/98
	94.6	ND (<2.5)	5.3	ND (<2.5)	ND (<2.5)	ND (<2.5)	ND (<2.5)	NA	8021	NA	12	11/11/98
	276	28	123	108	1	39	24	NA	8021	None	9.5	02/17/99
	ND (<1.0)	ND (<1.0)	ND (<1.0)	ND (<1.0)	ND (<1.0)	46.0	ND (<1.0)	NA	8260	None	10.5	12/14/01
	5.6	ND (<1.0)	1.3	ND (<2.0)	ND (<1.0)	40.9	ND (<1.0)	NA	8260	None	11	12/16/02
	134	4.2	68.8	26.5	ND (<1.0)	59.0	15.0	NA	8260B	None	11.5	12/17/03
	1.8	ND (<1.0)	ND (<1.0)	ND (<2.0)	ND (<1.0)	65.3	ND (<1.0)	ND (<100)	8260B	None	12	11/30/04
											11	12/12/05

All results reported in ug/l (ppb)

ND = Not Detected above MDL



Public Health Department

Joseph M. Connor, Director

619 Ann Avenue
Kansas City, KS 66101-3099

Phone: (913) 321-4803
Fax: (913) 321-7932

ENVIRONMENTAL INSPECTION

Inspected by: Emerick J. Cross

Date: July 10, 2006

Person requesting: Barbara Groans, Zimmer Real Estate Services

Phone #: (913) 573-6784

Amount due: \$500.00

Location of property: 570 County Line Road, 520 County Line Road, 500 County Line Road, 4510 Mission Rd., 4612 Mission Rd., 4620 Mission Rd., 4628 Mission Rd., 4627 Mission Rd., 3002 W. 47th Ave., 2814-2870 W. 47th Ave., 2810 W., 2808 W. 47th Ave., 2800 W. 47th Ave., 4620 Fisher St., 2554-2560 W. 47th Ave., 2550 W. 47th Ave., 2530 W. 47th Ave., 2440 W. 47th Ave., 2316-2320 W. 47th Ave.

Date letter sent to company: July 10, 2006

Environmental Inspection and Records Search

Type of business:

Names of business:

Outside hazards: A visual inspection of the site(s) was performed. No immediate Environmental Health threat was observed during my inspection.

Records search:

Please see attached.

Water Pollution Control report by:

Comments: No record of any complaints.

Fire Department Report by:

Comments: Please see attached.

Any other information to be included in report:

KANSAS CITY, KANSAS ACTION CENTER
REQUEST - REFERRAL FORM

Form Number: 149882

If duplicate, indicate initial Form # _____

ACTION CENTER SECTION/REQUEST DESCRIPTION

DATE: 6/2/93 TIME: 13:26 (1) A.M. (2) P.M.

Requested by: NAME: Mike Block (M) (F)

ADDRESS: _____

CITY: _____

STATE: _____

ZIP: _____

DAYTIME PHONE: (913) 554 Ext.: _____

COUNCIL DISTRICT: _____

SOURCE OF REQUEST: (1) Phone (2) Walk-up (3) Mail (4) City Administrator
(5) City Council (6) Mayor (7) Police (8) Other _____

TYPE OF REQUEST: (1) Information (2) Service (3) Suggestion

REQUEST DESCRIPTION: Requests "no dumping" sign.

ADDRESS OF REQUEST OR PROBLEM: 2820-2870 W. 47th St.

RESPONSE DUE DATE: 6/29/93 CITIZEN AIDE: Masla, D.

DEPARTMENT NAME AND DIVISION: Health dip. CONTACT: _____

DEPARTMENT CODE: 17 DIVISION CODE: 08 REQUEST CODE 4391

ACTION CODE: 01 DATE OF ACTION: 6/2/93

DATA ENTRY: _____

DEPARTMENT SECTION/RESPONSE DESCRIPTION

DATA ENTRY: _____

(Use this section to record the response description. Extensions or interim reports are to be reported on the CHANGE FORM.)

DATE REQUEST RECEIVED FROM ACTION CENTER: 6/4/93

DEPARTMENT PERSON RESPONSIBLE: Jean Horton (Spm)

ACTION CODE: _____ DATE OF ACTION: 6/7/93 DUPLICATE OF # _____

DESCRIPTION OF ACTION TAKEN: Posted
Conciliatory
gcu

HOW ANSWERED: (1) Phone, immediately (2) Phone, call back (3) In-house (4) Mail
(5) Visit (6) Transferred by phone to department

NUMBER OF PERSON HOURS INVOLVED IN FULFILLING A REQUEST: (1) less than 2 hours
(2) 2 - 4 hours (3) 5 - 8 hours (5) 1 - 2 days (6) 3 - 5 days (7) more than 1 week

COMPLAINT OR REQUEST

TIME: 2:00

D

Date: 6/26/83

By: [Signature]

Name: Mr. Block

Address: Blocker Co.

Phone Number: 932-5549

That: Managers of A Shopping Center
located at 2820-2828 W. 47th Ave
Someone ~~is~~ using the back part
for a dump site - Can the
HD help them out by posting
No Dumping Signs -

Referred to: SU

Action taken and date:

Signed:

(In case of sanitary complaint make a complete sanitary survey of the premises and describe in detail on the reverse side.)

Inspection Worksheet

Location	(Inactivate)	Business Name	Business Phone	Ext	Fax Number
206		LIZARD AUTO	(913) 722-5544	0000	
Business Address	Apt / Suite	Insp District	UFirs Code	Occupancy Type	
500		83	571		
City	State	Business Zip			
KANSAS CITY	KS	66103			
Last Visit Typ	Last Inspection	Last Re-Inspection	Next Re-Inspection	Annual Inspection Date	
	08/05/99	06/22/89	00/00/00	June	6
Multiple Tenancy	# of Stories	Construction Type	Outstanding Violations		
N	1	BRICK & BLOCK	0		
Alarms/Detection Devices	Burglar	Fire	Smoke	Verbal Warning ?	Comments?
	Y	N			C
Emergency Contact	BOB LUCAS	Phone	(913) 963-1486	Ext	0000
Alternate Contact		Phone		Ext	
Business Owner	BOB LUCAS	Phone	(913) 963-1486	Ext	0000
Business Owner's Address	Apt / Suite	City	State	Business Zip	
83		MISSION	KS	66205	
Building Owner	BOB LUCAS	Phone	(913) 963-1486	Ext	0000
Building Owner's Address	Apt / Suite	City	State	Business Zip	
83		MISSION	KS	66205	
Gas Shutoff	NE CORNER OF PROPERTY				
Electric Main Shutoff	W WALL OF OFFICE				
Water Main Shutoff	BACK ROOM OF OFFICE				
Fire Sprinkler Shutoff	NONE				
Fire Hose?	NONE				
Fire Department Location	NONE				
Control Panel	NONE				
Standpipe Location	NONE				
Basement Stair Location	NONE				
Stairway Up Location	NONE				
Furnace/Boiler Location	HANGING FROM OVERHEAD IN BAY AREA				
Nearest Hydrant	NE CORNER 47TH AV & MISSION RD				
Hazards - Special Info	GASOLINE & OIL STORAGE				
Hazard 2	UN 100A UN 1072				
Hazard 3					
Hazard 4					

Violations Found? []

Violations must be corrected by date show for correction - Thank You

Inspector's Signature _____ Date _____

Occupant's Signature _____ Date _____

Inspection Worksheet

Location	(1) Inactivate	Business Name	Business Phone	Ext	Fax Number
203		Oklahoma Joe's BBQ/Shamrock Gas Station	913-722-3009	0000	
Business Address		Apt / Suite	Insp District	UFirs Code	Occupancy Type
3002 W 47TH		AVE	83	573	
City	State	Business Zip			
KANSAS CITY	KS	66103			
Last Visit Type	Last Inspection	Last Re-Inspection	Next Re-Inspection	Annual Inspection Date	
1	01/03/06	09/10/90	00/00/00	August 11	
Multiple Tenancy	# of Stories	Construction Type	Outstanding Violations		
Y	1	BRICK	0		
Alarms/Detection Devices		Burglar	Fire	Smoke	Verbal Warning?
		N	N		Comments?
Emergency Contact		JEFF STEHNEY	Phone	() 583-1632	Ext 0000
Alternate Contact		JOY STEHNEY	Phone	() 583-1632	Ext
Business Owner		OKLAHOMA JOES	Phone	() 362-0661	Ext 0000
Business Owner's Address		Apt / Suite	City	State	Business Zip
3002 W 47TH		AV	KANSAS CITY	KS	66103
Building Owner		OKLAHOMA JOES	Phone	() 362-0661	Ext
Building Owner's Address		Apt / Suite	City	State	Business Zip
3002 W 47TH		AV	KANSAS CITY	KS	66103
Gas Shutoff	N OUTSIDE WALL				
Electric Main Shutoff	INSIDE ON N WALL				
Water Main Shutoff	OUTSIDE ON W CURB				
Fire Sprinkler Shutoff	NONE				
Fire Hose?	NONE				
Fire Department Location	NONE				
Control Panel	NONE				
Standpipe Location	NONE				
Basement Stair Location	NONE				
Stairway Up Location	NONE				
Furnace/Boiler Location	ON ROOF				
Nearest Hydrant	NE 47TH & MISSION RD				
Hazards - Special Info	2 TANKS UNDERGROUND 1-8,000, 1-4,000 GASOLINE IN BOTH TANKS. THIS BUILDING HOUSES 3 SEPARATE BUSINESSES: OKLAHOMA JOE'S BBQ, SHAMROCK GAS STATION & JOE'S CORNER LIQUOR.				
Hazard 2					
Hazard 3					
Hazard 4	KELLER SERVICED RESTARUANT & GAS STATION 08/05				

Violations Found? ☐

Violations must be corrected by date show for correction - Thank You

Inspector's Signature _____ Date _____

Occupant's Signature _____ Date _____

Inspection Worksheet

Location (Inactive)	Business Name	Business Phone	Ext	Fax Number
4642	MEDICAL RENTALS & SALES	(913) 262-7700	0000	
Business Address	Apt / Suite	Insp District	UFirs Code	Occupancy Type
4620	MISSION	RD	83	561
City	State	Business Zip		
KANSAS CITY	KS	66103		
Last Visit Type	Last Inspection	Last Re-Inspection	Next Re-Inspection	Annual Inspection Date
1	08/25/99	00/00/00	00/00/00	August 19
Multiple Tenancy	# of Stories	Construction Type	Outstanding Violations	
N	1	MASONRY	0	
Alarms/Detection Devices	Burglar	Y	Fire	N
	Smoke		Verbal Warning?	
	Comments?			
Emergency Contact	RICH LARSON	Phone	(913) 432-0680	Ext 0000
Alternate Contact		Phone		Ext
Business Owner	RICH LARSON	Phone	(913) 432-0680	Ext 0000
Business Owner's Address	Apt / Suite	City	State	Business Zip
5400		ROELAND PARK	KS	66205
Building Owner	RICH LARSON	Phone	(913) 432-0680	Ext 0000
Building Owner's Address	Apt / Suite	City	State	Business Zip
5400		ROELAND PARK	KS	66205
Gas Shutoff	OUTSIDE NORTH OF BLDG			
Electric Main Shutoff	WEST WALL OF RESTROOM			
Water Main Shutoff	IN REAR OF BLDG			
Fire Sprinkler Shutoff	NO			
Fire Hose?	NO			
Fire Department Location	NO			
Control Panel	NO			
Standpipe Location	NO			
Basement Stair Location	NO			
Stairway Up Location	NO			
Furnace/Boiler Location	FORCED AIR GAS FURNACE			
Nearest Hydrant	N.E. CORNER 46TH & MISSION RD			
Hazards - Special Info	CHRIS SPRADLIN 383-1857			
Hazard 2	OXYGEN TANK STORAGE N.W. CORNER			
Hazard 3				
Hazard 4				

Violations Found? ☐

Violations must be corrected by date show for correction - Thank You

Inspector's Signature _____ Date _____

Occupant's Signature _____ Date _____

Inspection Worksheet

Location (Inactive)	Business Name	Business Phone	Ext	Fax Number
2306	CLASSC CUT SALON	913-236-9004	0000	
Business Address	Apt / Suite	Insp District	UFirs Code	Occupancy Type
4612	MISSION	RD	83	917
City	State	Business Zip		
KANSAS CITY	KS	66103		
Last Visit Type	Last Inspection	Last Re-Inspection	Next Re-Inspection	Annual Inspection Date
I	08/26/99	03/01/85	00/00/00	June 17
Multiple Tenancy	# of Stories	Construction Type	Outstanding Violations	
N	1	BLOCK	0	
Alarms/Detection Devices				
Burglar	Fire	Smoke	Verbal Warning?	Comments?
N	N			
Emergency Contact	BILL LICHTENEGGER	Phone	(000) 722-0246	Ext 0000
Alternate Contact		Phone		Ext
Business Owner	HIGHWAY OIL CO.	Phone	(800) 432-3927	Ext 0000
Business Owner's Address	Apt / Suite	City	State	Business Zip
0		TOPEKA	KS	66612
Building Owner	CRAIG KRUPICKA	Phone	(913) 722-0246	Ext 0000
Building Owner's Address	Apt / Suite	City	State	Business Zip
3209 W	42ND	KANSAS CITY	KS	64212
Gas Shutoff	OUTSIDE BLDG.			
Electric Main Shutoff	BACK ROOM SOUTH WALL			
Water Main Shutoff				
Fire Sprinkler Shutoff				
Fire Hose?				
Fire Department Location				
Control Panel				
Standpipe Location				
Basement Stair Location				
Stairway Up Location				
Furnace/Boiler Location	FORCED AIR GAS			
Nearest Hydrant	N.E. COUNTY LINE & MISSION			
Hazards - Special Info	3-12,000 GALLON TANKS IN GROUND			
Hazard 2				
Hazard 3				
Hazard 4				

Violations Found? ☐

Violations must be corrected by date show for correction - Thank You

Inspector's Signature _____ Date _____

Occupant's Signature _____ Date _____



CITY OF KANSAS CITY, KANSAS

FIRE DEPARTMENT

815 N. 6TH STREET

KANSAS CITY, KANSAS 66101

7/6/2006

To: Emerick J Cross, Health Inspector
Public Health Department

From: Eleanor Clark, Secretary
Fire Prevention Division

Re: Recent Fax

Message: 3002 W 47th Avenue
Oklahoma Joe's /BBQ
913 722 3009

1-Tank Underground
1-Tank Underground

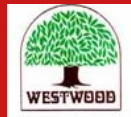
1-8,000 Gallon Gasoline
1-4,000 Gallon Gasoline

Fairway Oil
4612 Mission Rd
913 262 9811
3-12,000 Gallon Tanks in Ground

Scheicher Conoco Service
500 County Line Road
913 262 0165
2- 5,000 Gallon Tanks
1- 2,000 Gallon Tank

Appendix D - Presentation

47th & Mission Road Redevelopment Study



Commissioned by:

Unified Government of Wyandotte County/Kansas City, Kansas
Westwood, Kansas and Roeland Park, Kansas

December 13, 2006



Introductions

- **Management Committee**
 - Chair: Wendy Wilson, Rosedale Development Association
 - Co-Chair: Rob Junk, Westwood resident
 - Other members:
 - Scott Bingham, Westwood resident
 - Bob Dye, Westwood resident
 - Gil Pintar, Kansas City, Kansas resident
 - John Mendez, Unified Government Commissioner
 - Scott Gregory, Roeland Park resident
 - Adrienne Foster, Roeland Park resident
 - Curtis Hapgood, Roeland Park resident
 - Governmental Participants
 - Mayor Karen Johnson, Westwood
 - Mayor Steve Petrehn, Roeland Park
 - John Cunningham, Westwood Public Works



Consultant Team

- **Zimmer Real Estate Services**

- Dan Musser
- Catherine Singleton

Gould Evans Architects

- Brian Hamilton
- Corey Walker

Development Strategies

- Bob Lewis

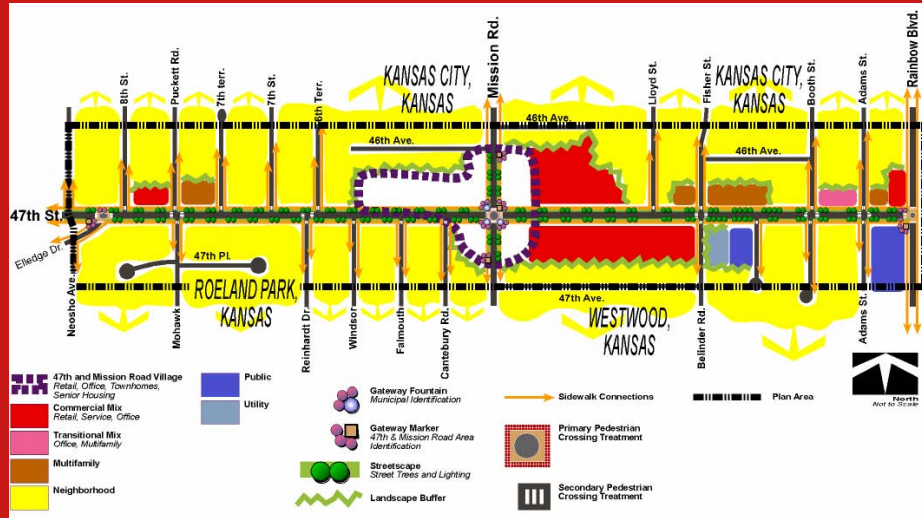


Scope of Work

- Develop an economically feasible redevelopment plan based upon Land Use Plan approved by all three municipalities



Approved Land Use Plan



Zimmer

47th & Mission Road Design Review

Approved Overlay District

- Zoning overlay enacted by all 3 municipalities
- Applies to all commercial and multi-family properties in the 47th & Mission Road District
- Management Committee is appointed by the municipalities; duties include:
 - Review all applications and recommend action to municipalities
 - Coordinate activities between municipalities
 - Promote development within area

Zimmer

Commercial Site Design Standards

Commercial and Multi-Family

- All new development, redevelopment and exterior modifications to go before Management Committee
- Mixed-use encouraged

Building Placement

- Main entrances face street
- Buildings set close to street, especially at the 47th & Mission intersection
- Building frontage maximized

Site Access

- Pedestrian-friendly sidewalks, entrance on street, walkways through parking



Commercial Site Design Standards

Parking

- On-street parking and shared parking
- Parking behind buildings and to the side of buildings
- Architectural Features
 - Enhanced entrances
 - Masonry materials
 - Earth tones
 - Awnings and canopies encouraged



Commercial Site Design Standards

Landscaping

- Buffers to residential areas

Signs

- Façade, pedestrian and monument signs
- Back-lit signs and internal illumination discouraged



Redevelopment Study Process

- Market study commissioned
- Meetings and conversations with property owners
- Regular meetings with Management Committee to discuss ideas



Market Study Summary

1. Development at 47th & Mission is more difficult because of its distance from major highway and arterial roads; 47th and Rainbow has more traffic.
2. Diversity of income levels is challenging to retailers.
3. KUMed expansion up and down Rainbow will have positive impact.



Market Study Summary

4. Potential for an additional 150,000 SF of retail space
 - Drug store incorporated into grocery store
 - Florist
 - Book store
 - Neighborhood hardware store
 - Furnishings/Art gallery
 - Small specialty apparel and accessory store
 - Neighborhood coffee shop
 - Locally run, full service restaurant; perhaps ethnic



Redevelopment Study Summary

- Cities and Management Committee are not interested in acquiring property or in using eminent domain.
- Management Committee would like to see redevelopment occur within the interests of current property owners.
- The Committee and community want a niche; neighborhood center.
- Corridor has “limited” market primarily because of access.
- There is a demonstrated market for in-fill housing but limited available property.
- Strong housing stock is important to building strong retail.



Phase I Site Plan: What could happen now



-  POTENTIAL PROPERTY IMPROVEMENTS BY OWNER
-  POTENTIAL REDEVELOPMENT INITIATIVES BY OWNER

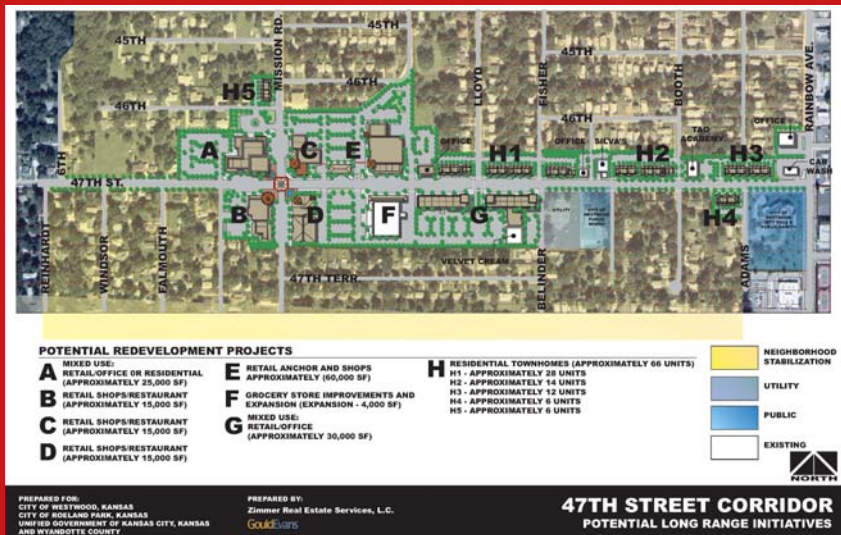


Phase I Potential

- 10 new residential units
 - 2 single-family homes
 - 8 townhouses
- 150,000 square feet renovated/improved
- 25,000 square feet commercial space development/redeveloped
- Total of 10 acres improved or redeveloped



Phase II Site Plan: Future vision for the area



Phase II

- 52 new residential units
- 160,000 square feet new commercial space
- 21 acres redeveloped
- Future “vision” for area
- Possible if existing owners are interested or sell to a new owner/developer



Potential Incentives

- Neighborhood Revitalization Act
 - For existing owners of property
 - Rebates up to 100% of new additional real estate taxes created from improvements to property back to property owner
 - This incentive is already in place on the Kansas City, Kansas side of 47th Street



Potential Incentives

- **Conservation TIF**
 - Designation of “conservation area”
 - Not yet blighted, but may become blighted
 - Does not allow the use of eminent domain
 - New local taxes created by projects can pay for public improvements:
 - Land acquisition
 - Site preparation
 - Landscaping, streetscape and parking
 - Public infrastructure



Redevelopment Study Recommendations

- Consider a Merchant Association for organization and marketing
- Consider a Community Improvement District or a Neighborhood Improvement District to fund ongoing improvements, safety and cleanliness
- Consider a Conservation TIF or Neighborhood Revitalization Act Redevelopment Plan/Area
 - Each municipality will have to decide on and enact its own redevelopment incentives
- Cities to continue to invest in streetscape and infrastructure improvements
- Cities to continue to work together on the redevelopment of 47th Street & Mission Road within the Zoning and Management Committee structure



Next Steps

- Management Committee to incorporate public comments, feedback and input into study.
- Management Committee to present findings and make recommendations to each municipality.



47th and Mission Road Redevelopment Study

December 13, 2006



Appendix E - Press Release/PR Materials



News Release

Unified Government Public Relations
701 N. 7th Street, Room 620
Kansas City, Kansas 66101

Mike Taylor, Public Relations Director 913.573.5565

FOR IMMEDIATE RELEASE

November 22, 2006

Public Meeting Planned **47th & Mission Road Redevelopment Study**

The Unified Government of Wyandotte County/Kansas City and the cities of Roeland Park and Westwood will hold a Public Meeting regarding planning work underway for the 47th & Mission Road area.

The three communities have been working together for several years on a redevelopment plan for the intersection and area around 47th & Mission Road. Gould Evans Architects designed a Master Plan several years ago, which was adopted by the three Cities and included rezoning the area.

This year, Zimmer Real Estate Services was hired as a consultant by the three communities to help determine market feasibility for redevelopment. The consultant conducted a market analysis, met with existing property owners, explored several redevelopment incentive tools and now would like to share its findings with the public.

This will be an informational meeting for the Management Committee to present the plans to the community and to receive feedback and input from the public about the area and about the Cities' vision for the future of the area.

The meeting will be held Wednesday, December 13th, 6:00 pm, Westwood City Hall, 47th & Rainbow.

CONTACT: Mike Taylor, Public Relations Director

Office: 913.573.5565 Cell: 913.449.4848

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Posted on Sat, Dec. 16, 2006

47th and Mission redevelopment plan receives warm reception

Three cities working jointly on improvements.

By JENNIFER BHARGAVA
The Kansas City Star

Local leaders ignited a positive response to plans to redevelop the 47th Street and Mission Road intersection.

Representatives from Roeland Park, Westwood and Kansas City, Kan., held a meeting Wednesday evening to update area residents on their plans for a neighborhood center at the location.

Poster boards with potential layouts were displayed, revealing residential-retail themes similar to neighborhoods such as Brookside and North Kansas City.

"Feedback received in the past five years shows that residents want to see more local businesses, such as coffee shops or bookstores," said Dan Musser, the project's consultant from Zimmer Realty. "Of course, we want to establish our own identity and not merely copy other areas. We also like the idea of having these three cities come to a crossroads — it brings neighbors together."

Attendees at the meeting were encouraged to examine the different phases presented and offer suggestions. Despite the need for possible neighborhood redevelopment, most residents showed support for the plans.

Tiffany Hamilton, a 17-year resident of Kansas City, Kan., likes the idea of bringing Johnson County and Wyandotte County neighborhoods together.

"The neighborhoods right now are such a hodgepodge, and I think it will do the area some good to have unity," said Hamilton. "According to one of these plans, they want to make my house a town home, which is a great idea. I don't mind selling my house."

Her opinion was echoed by several other residents who did not mind possible reconstruction in the future.

Roeland Park Mayor Steve Petrehn was pleased by the enthusiasm shown at the meeting.

He believes it proves residents in northeast Johnson County are ready to move forward.

"I'm anxious to see this redevelopment continue from one generation to another," said Petrehn. "Right now we have buildings wearing down and the cities are stepping up to do their part. It's nice to know we're bringing back the quality of life to a wider circle."

| To reach Jennifer Bhargava, call (816) 234-7737 or e-mail jbhargava@kcstar.com.

Appendix F - Property Information

**This information has intentionally been left
blank for the privacy of the individuals living
in the 47th & Mission study area.**



Post Office Box 411299
Kansas City, Missouri 64141-1299
816.474.2000

www.zimmercos.com